July 10, 2019

National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No: C/1, G Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	Corporate Relationship Department BSE Ltd., Phiroze Jeejheebhoy Towers Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

Sub: Submission of Annual Report of the Company under regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Ref: BSE Scrip code: 540704 / NSE Symbol: MATRIMONY

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Please find enclosed the copy of Annual Report for the year ended 31st March 2019.

The Annual Report is available on the website of the Company viz., www.matrimony.com.

Submitted for your information and records.

Thanking you

Yours faithfully,

For **Matrimony.com Limited**

S.Vijayanand
Company Secretary & Compliance Officer
ACS: 18951
No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai – 600028

POWERING LIFE CONNECTIONS

Real. Innovative. Responsible.

Matrimony.com

Annual Report
2018-2019

CONTENTS

POWERING LIFE CONNECTIONS.

Real. Innovative. Responsible.

In the Circle of Life, Marriage is one of the most important decisions, with far reaching implications. It is the start of a new phase for creating a happy family, through finding one's Life Partner. A person goes through hopes, aspirations, excitement, fears in this journey.

To some, finding a life partner is finding a best friend and companion.
To some, it is a natural next phase of life.
To some, it is realizing ambitions together.

To us, it is achieving their purpose.
Adapting to Change, without losing the deep-rooted traditions.
Matrimony.com strives to make this journey enriching, joyful and successful.
Backed by long-standing history and proven leadership.

We come together as one Family and Power Connections for Life.
We are Real, Innovative and Reponsible.

WINNING MILESTONES

1997

In New Jersey, USA – a young programmer named Murugavel Janakiraman starts a community portal

2000

Launched bharat matrimony

2002

The Largest Matrimony meet launched

Mega Swayamvaram

2006

2007

PC WORLD

JuxtConsult

2008

Elite Matrimony

An exclusive matchmaking service for premium customers

2009

Launched CommunityMatrimony.com

2010

assisted matrimony

Launched

2011

140+ Matrimony Outlets across India

2012

Records for largest wedding album

2013

2014

Most Trusted Matrimony Brand Award

2015

Professional wedding photography service launched

2016

Laadli Jury award for portraying women positively

2017

Launched

Company listed in Stock exchanges (September)

2018

- Elite Matrimony - Actor Madhavan as brand ambassador
- Dubai office launched
- MS Dhoni is brand ambassador of Bharat Matrimony

MESSAGE FROM CHAIRMAN

Dear Shareholders,

We just completed 19 years of our existence – the last of the teens. This is also our first full financial year as a listed company. As we enter the next phase of our growth, we aim to be “Bigger and Better”. The world is dynamic along with its people, demographics and culture, and expectations are constantly changing. But one thing has not changed for us – the drive to be dedicated to our cause. The mission to “Power Connections for Life”. We can do this effectively only when we are “Real”, “Innovative” and “Responsible”.

We are Real because we create more than 100,000 success stories in a year. The network effect is tremendous with more than 4.08 million profiles added in FY19 with active profiles of 3.72 million. With over 15 regional portals and 300+ communities and a retail network of 130+, we are unquestionably Real. This makes us the leading provider of on-line matchmaking services in India. We are Real also because we don’t stop there; we forward to integrate into Marriage Services, and aspire to be a one stop platform for our customers, aligning to our cause.

We are relentlessly Innovative because we believe that our customers deserve the best. Using robust technologies, analytics, and a micro-market strategy with targeted and personalised services, we have become a trusted brand in the communities we operates in. The iconic cricketer MS Dhoni is our brand ambassador. Beyond just marketing, MS Dhoni reflects the spirit of equality in marriage, in the “Find Your Equal” campaign. This is a social change that we want to address.

We aspire to be the most trusted and secure matrimonial site that people can use. I am proud that we have launched the SecureConnect feature on our site that facilitates safe use of the platform by all women members of BharatMatrimony.com. This innovative feature affords them privacy if they seek it. The initiative also embodies our strong commitment towards a customer centric approach in conducting our business.

In our efforts to extend our reach and make it easy for people in the Middle East to use our services, I am happy to share that we have opened an office in Dubai.

Reflecting on our financial performance, our full year revenue stood at ₹348.4 crores. The growth at 3.9% was slower than expected due to competition intensity. We addressed many of these challenges by stepping up marketing efforts and customer-centricity initiatives. Marketing expenses in FY19 was ₹81 crores, an increase of 45%. Excluding marketing expenses, our operating margins stood stable in FY19 as compared to FY18. With these initiatives, we ended the last quarter of FY19 on a strong note with billing growth of 10.9% qoq. This also sets the tone for a stronger FY20, along with increased traction in Marriage services.

I thank our talented and dedicated people for their unrelenting support towards a noble cause. I also thank the Board for their guidance and encouragement, and last but not the least, I thank you, the shareholders for your trust and support through the year. I look forward to a bigger and better FY20.

With best wishes,

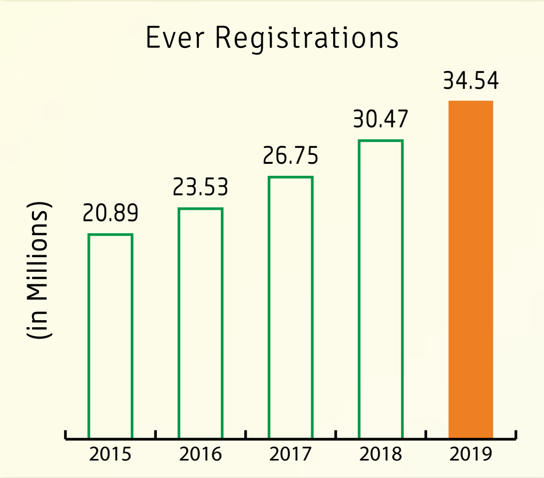
Murugavel Janakiraman
Chairman and Managing Director

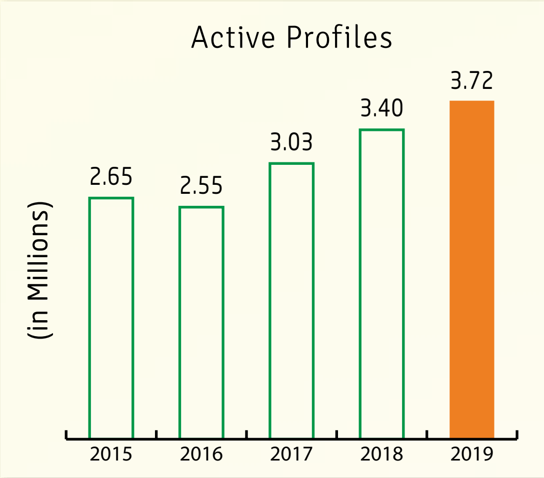
IN A NUTSHELL

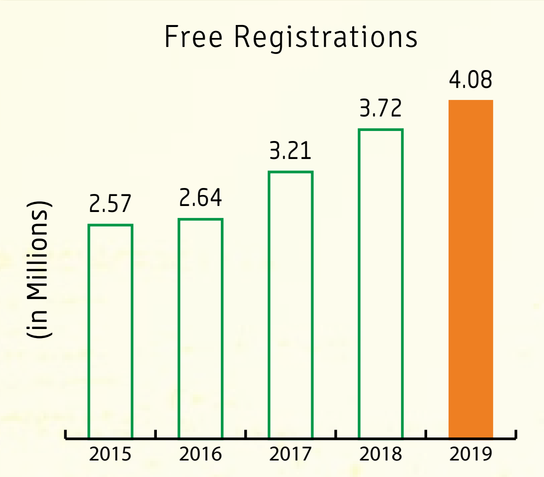
- FY19 Revenue (in million ₹): 3,484
- FY19 EBITDA (in million ₹): 567
- FY19 PAT (in million ₹): 431
- Community Matrimony Sites: 300+
- Regional Matrimony Sites: 15
- Retail Outlets: 134
- Active Profiles (in million): 3.72
- Total Registrations since Jan. 2006 (in million): 34.54
- No of Associates (March 2019): 4,410
- Paid Subscriptions (FY19): 7,31,000
- FY19 Billing (in million ₹): 3,559

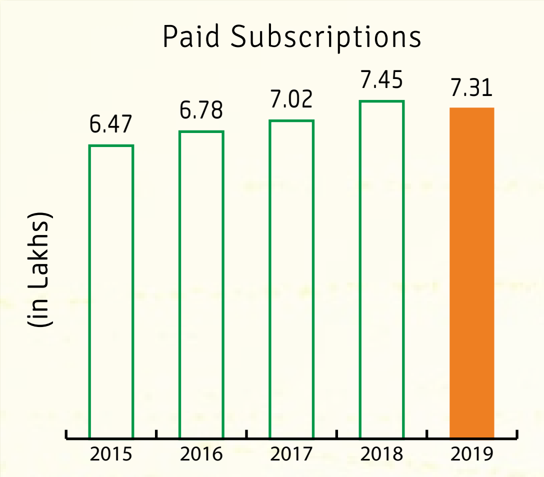
5 YEAR PERFORMANCE AT A GLANCE

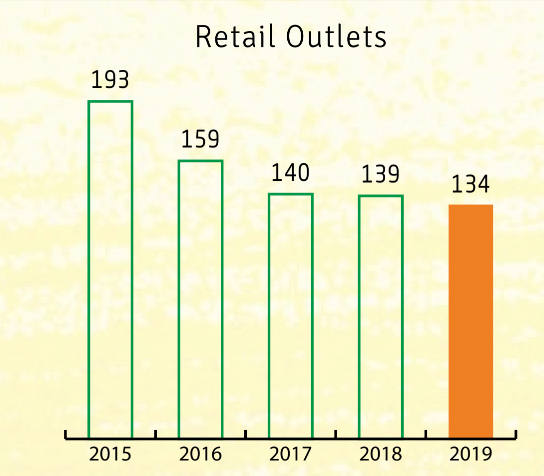
KEY REVENUE METRICS

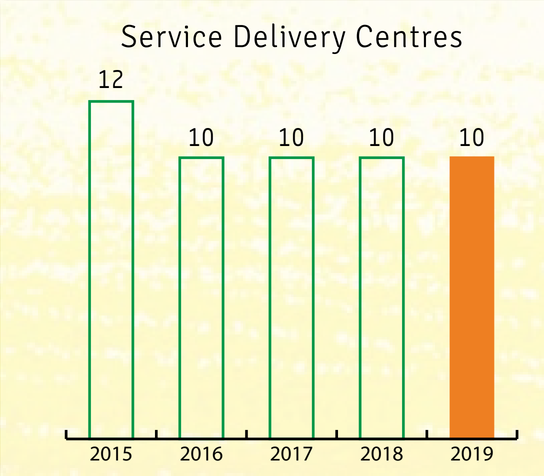






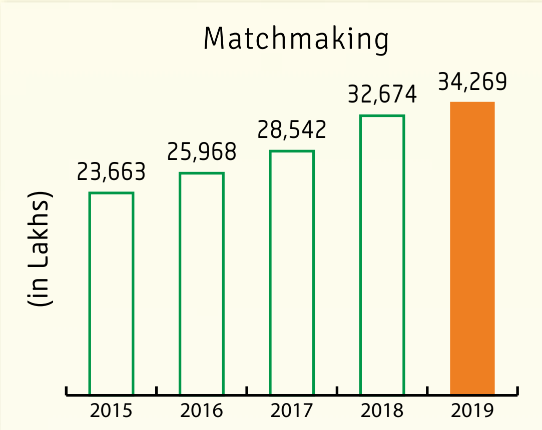


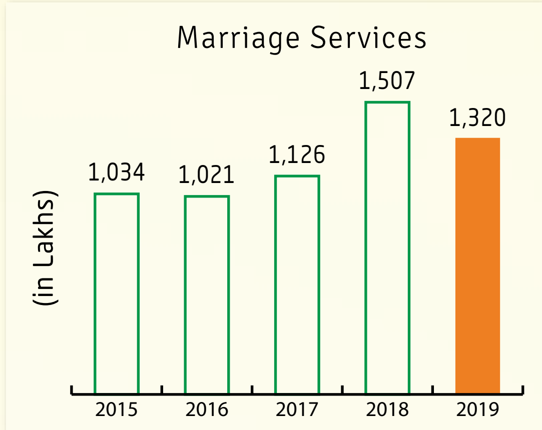




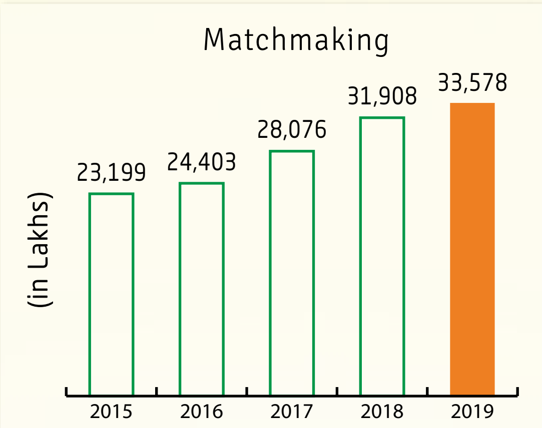
KEY FINANCIAL METRICS

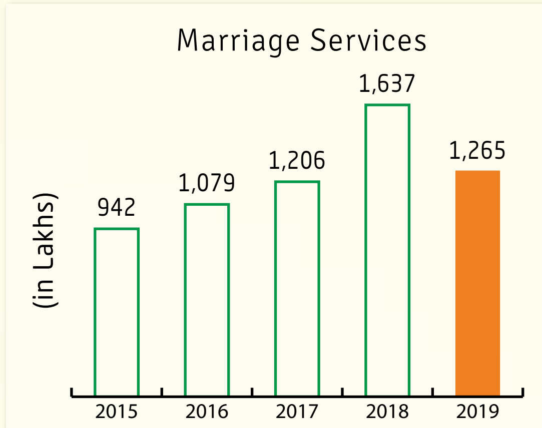
BILLING



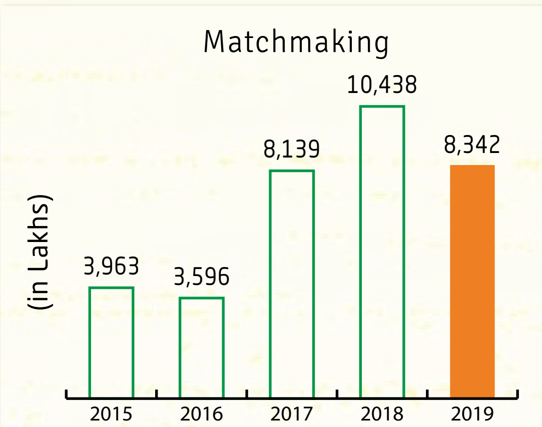


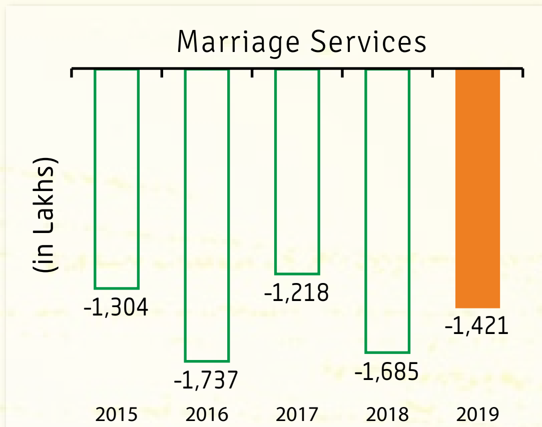
REVENUE

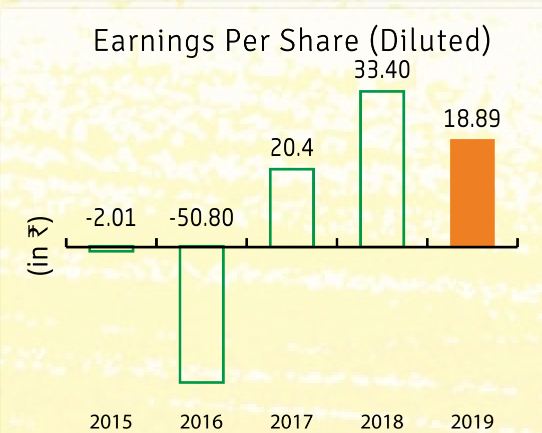


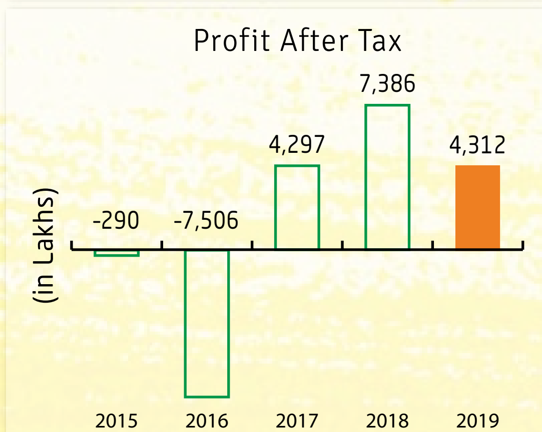


EBITDA









THE REAL STORIES

TamilMatrimony

Love bloomed through WhatsApp for Ishwarya & Arun

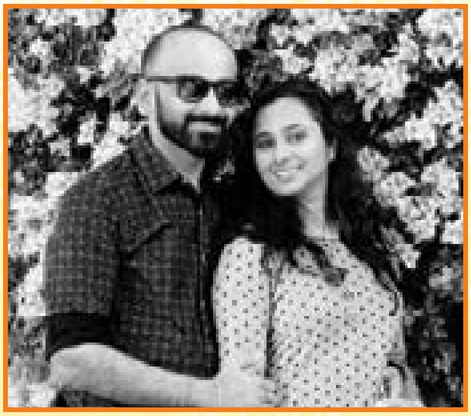
A loving family member, friend, or even a co-worker can register on the site to help a person find their partner.

"MY SISTER REGISTERED MY PROFILE ON THE SITE AND SHOWED ME ARUN'S PROFILE. WHEN I WENT THROUGH IT, I REALLY LIKED IT BECAUSE HE WAS VERY FRANK ABOUT HIMSELF AND WHAT HE IS LOOKING FOR."

KeralaMatrimony

Rakhee and Vineeth – A Tale of Long Distance Love

MERE DISTANCE DOES NOT HAVE THE POWER TO SHATTER UNCONDITIONAL LOVE. LONG DISTANCE LOVE ALSO WORKS WHEN YOU TRULY LOVE SOMEONE.



BengaliMatrimony

Atreyee and Shounak – "I found Shounak in 15 days", says Atreyee.

Placing a premium on value systems

"I FOUND SHOUNAK WITHIN 15 DAYS OF MY REGISTRATION ON BHARATMATRIMONY AND WITHIN A MONTH, EVERYTHING WAS FIXED. IT WAS INDEED QUICK. WHAT ATTRACTED ME THE MOST WAS THAT FAMILY WAS HIS PRIORITY."

OriyaMatrimony

Saswatee and Ramakanta – "I found Ramakanta in just 4 days"

"I FOUND MY LIFE PARTNER HERE IN FOUR DAYS. THE SITE GIVES YOU REGION SPECIFIC PROFILES TO LOOK THROUGH. MANY OF MY OWN FAMILY MEMBERS HAVE HAD HAPPY AND SUCCESSFUL MARRIAGES THROUGH BHARATMATRIMONY."

GujaratiMatrimony

Nehal and Dharini–"We Lived 2 Kms Away but Met Only on BharatMatrimony"

"ONE OF MY FRIENDS HAD ONCE TOLD ME THAT IF I WAS SERIOUSLY LOOKING FOR A LIFE PARTNER, THEN I SHOULD JOIN BHARATMATRIMONY AND SHE WAS ABSOLUTELY RIGHT."

HindiMatrimony

Shashwat and Ashwini–Childhood Friends Meet on BharatMatrimony, Get Married

"SHASHWAT IS ONE OF MY DISTANT RELATIVES. WE HAVE PLAYED TOGETHER IN OUR CHILDHOOD, BUT AFTER GROWING UP WE NEVER GOT THE CHANCE TO MEET. EVEN THOUGH WE ARE RELATIVES, WE FOUND EACH OTHER ON HINDIMATRIMONY."

MarathiMatrimony

Shrikant and Bhowari – Found Someone With a Similar Passion For Trekking

"I FOUND MY MR. RIGHT ON MARATHI MATRIMONY. I ACCEPTED HIS REQUEST ON THE SITE AS SOON AS I SAW THAT HE IS ALSO A TREKKER AND TRAVELLER."

PunjabiMatrimony

Sumit and Priyanka – Good Things Come To Those Who Wait

"FEW OF MY FRIENDS INSISTED THAT I REGISTER ON BHARATMATRIMONY. I WENT THROUGH MANY PROFILES BUT BACK THEN I DIDN'T TAKE IT SERIOUSLY. ONE DAY I WAS JUST GOING THROUGH THE PROFILES AND SUMIT'S PROFILE CAUGHT MY ATTENTION".

THE CULTURE OF INNOVATION

Innovation refers to creating more effective processes, products, and ideas. For a business, this means implementing new ideas, improving services or creating dynamic products. All of these can be catalysts and make the business grow and also help it adapt to the demands of the marketplace.

The culture of innovation is a part of the business strategy, and a way of life at Matrimony.com.

Most Trusted Matrimony Brand
- by The Brand Trust Report

Highest Number of Documented Marriages Online
- Limca Book of Records

Genuine profiles with 100% Verified Mobile Numbers

Matrimony.com has more than three million active customers and thousands of new ones join every day. We have expanded our offerings to now include marriage services like MatrimonyPhotography, MatrimonyBazaar, and MatrimonyMandaps. A key priority is to use effective technology to drive business for marriage services from matchmaking customers.

Improving customer experience, however, remains an important focus area for us. Against the backdrop of increasing demands and rising expectations from customers, the emergence of exciting technologies like AI aided by mobile and digital transformation, facilitate the optimization of existing infrastructure. We aspire to offer superior experience to our customers at all touch points—website, mobile apps, call centers and retail outlets. Talented teams work on improving solutions at each of these points so as to enhance user experience.

Investment in the big data platform and analytical database (to improve the speed of computing data), provides insights which can influence strategic business decisions.

The marketing team tracks campaign effectiveness by innovative use of in-house technology, and uses the data to improve optimization, effectiveness and spends. The company uses the hybrid cloud in the hosting environment to leverage new services available in the public cloud.

Innovating a simplified product experience

The driving need and why it is important

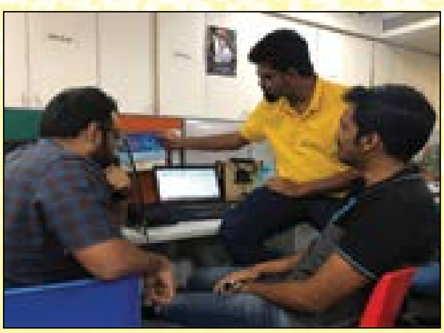
- Tier 3 users contribute almost 47% of our registrations. Most of them are first time users who have experienced the online product for the first time through a smartphone. However, internet speed remains a challenge for these users due to their location. *(Source: https://www.thinkwithgoogle.com/intl/en-apac/ad-channel/mobile/indias-mobile-first-ecosystem-numbers/)*
- Our goal is to provide seamless and optimal experience to those users on low bandwidth and with average mobile specs

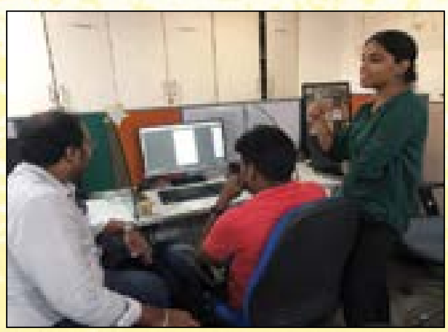
What we did

- The app was optimized to provide fast and reliable experience on all kind of network connections including 2G. Additionally, the app was restructured to handle drops in data connectivity without compromising user experience. Various other techniques were used to optimize image sizes, load speeds, etc. for the user. This is a continuous endeavour for the product engineering team.
- Enhanced the mobile site (progressive wap application) to provide app like experience to our users without using up the memory space on user's mobile. This is important for our tier 2/3 users since most of them use a low end phone with limited memory.

Product Innovation - How we do it

- We launch products that delight our customers through an unrelenting focus on customer preferences & behaviour, leveraging advancements in technology and changing ecosystems.
- Customer preference identification:
  - Interaction with members in focus groups – diverse set of users ranging from parents, prospective brides/grooms, siblings, relatives use our product. It is very important to understand the expectation of each of these users and their online behaviour, to provide optimum experience to the users
  - Data Analytics – through a combination of web based analytics tools coupled with in-house big data driven tools we constantly leverage insights and identify trends that help us to improve our product offerings
  - Rigorous A/B testing of hypothesis – we constantly test pilot features with actual users both online and offline. Online testing is primarily A/B testing that helps us to do direct comparison between the control and changed version and measure how our customers are reacting to the change
  - Live product testing with customers – while we are heavily influenced by data analytics, we strongly believe in testing the product with actual customers which helps us to capture and understand the nuances that data may not reflect.
- Our product development team is constantly adapting to changes in technology and also adopting new technologies like AI to help us improve the partner search experience for our customers



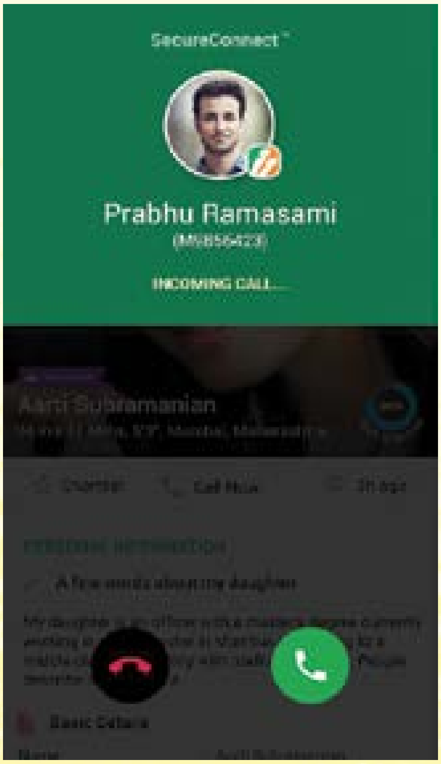


Women Supportive Product: SecureConnect™

Why is this important?

- Women constitute about 30% of the users on our platform, which is in line with the women ratio on Internet in India. By 2020, women in India are expected to be 45% of the internet population.
  (Source : https://www.thinkwithgoogle.com/intl/en-apac/ad-channel/mobile/indias-mobile-first-ecosystem-numbers/, Sep 2018)
- The women population skew in the platform means that an average woman will end up getting almost twice more interest as compared to a male
- Compared to men, women have more reservations about privacy of profile information, photo and contact details
- We value the trust that women repose on us. Our goal is to be a platform of choice for all women.

- To restrict access to women users' mobile number, while still enabling male members to call them, we introduced SecureConnect in Q4 FY18-19. This product ensures that contact details of women members do not go out of the platform and are protected all the time.
- We provide women members with matching filters that enable them to find members exactly matching their requirements thus ensuring that only male members with the most relevant profiles are able to contact them.
- SecureConnect is a privacy tool pioneered by Matrimony.com.



AN INNOVATION OF MATRIMONY.COM, SECURECONNECT IS A PRIVACY TOOL THAT PROTECTS WOMEN MEMBERS' PERSONAL CONTACT DETAILS

BHARATMATRIMONY & MS DHONI- THE PERFECT MATCH

India's iconic cricketer Mahendra Singh Dhoni is now BharatMatrimony's brand ambassador. He's an inspiration for millions of youth because of what he has achieved for the country through his personal attitude and his admirable leadership qualities. Dhoni also inspires through his happy marriage. He's a great example of a wonderful father and a devoted husband.

Our campaign idea was triggered by the marketing team's in-depth understanding of our target audience through social media. This was also reinforced by a study that observed lives of married couples across different social strata. Women had many concerns. They felt their partners considered their opinions only selectively; families exerted a lot of influence on things both big and small; simple everyday work wasn't shared equally; and every day roles at home had strong gender typecasting. These serious concerns were a big 'put-off' to most women of marriageable age. With "Find Your Equal", BharatMatrimony has voiced the wish of millions of women who seek an "Equal Relationship" in marriage. We believe that when marriage partners value equality, they see each other as equals, treat each other with respect, consider each other's needs, and support one another even while pursuing their individual interests.

MS Dhoni stood out as the ideal person for BharatMatrimony's Find Your Equal campaign. He was typecast the way women view their partners. MS Dhoni plays an equal partner much like he does in his real life. We are confident that he will inspire everyone to find their equal.

MS Dhoni, while talking about why he endorsed the brand and the concept said, "I believe in the woman's right to equality in a relationship. I'm happy that BharatMatrimony is taking up this important cause to drive social change. I'm proud to be part of the #FindYourEqual campaign that has the potential to bring about a defining social change."

BEING RESPONSIBLE

We are on a mission to find our consumers ideal life partners. This is no mean task. One of the important requisites for achieving this goal, is engaged staff – customer service specialists who can find the pulse of the customer, understand their unique requirements, and show them empathy when they embark on the journey of finding their life mate. The staff at Matrimony deliver on all counts. They feel a deep sense of responsibility to their clients and ensure they protect their interests. This is simply because they understand the Company mission and they share the Company's objectives.

1 Customer privacy and security

We are mindful of the fact that our customers in their important journey trust us with data relevant for match making. We make sure proper encryption mechanisms, restriction mechanisms, secure hosting of data, and different layers of protection are available. This to us is non-negotiable and all our people understand the importance. We continue to study this space and make enhancements as required periodically.

2 We ensure employee wellbeing.

Mission 10k- An Employee Health & Wellness Initiative:

The program was conducted to promote and drive healthy living, wellness and active behavior amongst associates, thereby making Matrimony a health & well being focused organization. Tips were provided on how to stay healthy.

The initiative spanned 100 days. Associates were grouped into teams and encouraged to walk 10,000 steps daily. Teams which registered the most steps were rewarded. The finale measured 'drop in BMI' and teams with the maximum change were rewarded.

MORE THAN 1 BILLION STEPS CLOCKED

AROUND 200 TEAMS FROM ALL REGIONS PARTICIPATED IN THE INITIATIVE

ASSOCIATES LOST WEIGHT FROM AS LITTLE AS 1 KG TO AS MUCH AS 13 KGS

3 We ensure Employee learning and development and build capabilities

Several programs were launched with the objective of building a 'Learning Organization' focused on building capabilities & competencies through customized and structured learning initiatives.

a. Structured Training Need Analysis and Learning Roadmap—For the first time, an organization-wide Training Need Identification exercise was conducted and Learning Roadmaps were created for employees. Based on the needs identified, customized training content was developed in-house.

b. The Annual Learning Festival, which builds a learning culture, engages associates in learning through activities and instills the belief that one can learn at any time, has become a hallmark of the Company. This year saw the second edition of the Festival over a duration of 5 days.

c. Learning Management System (LMS)—A robust online learning initiative was launched to promote anytime, anywhere learning at one's own pace and space. This is an integrated online learning platform, that is available for employees both on the desktop and mobile. It promotes learning through customized video-based modules followed by assessments through quizzes.

THE USER ADOPTION RATE IS AT 86%

4 We ensure Leadership Development

LEAP (Leadership Effectiveness Acceleration Program) is a flagship certification program which focuses on building capabilities and competencies (functional, skill & behavioral) for Team Leaders. It is built as a three-stage module with certification at the end of each stage.

- LIVING OUR VALUES
- BUSINESS PLANNING & BASIC ANALYTICAL SKILLS
- FEEDBACK & COACHING
- MANAGERIAL EFFECTIVENESS AND TEAM DEVELOPMENT
- BUSINESS COMMUNICATION & CONFLICT MANAGEMENT

BOARD MEMBERS

George Zacharias | Akila Krishnakumar | Milind S Sarwate

Murugavel Janakiraman Deepa Murugavel C K Ranganathan

CORPORATE INFORMATION

Board of Directors

Shri. Murugavel Janakiraman - Chairman & Managing Director
Smt. Deepa Murugavel - Non Executive Woman Director
Shri. C K Ranganathan - Non Executive & Independent Director
Shri. Milind S Sarwate - Non Executive & Independent Director
Shri. George Zacharias - Non Executive & Independent Director
Smt. Akila Krishnakumar - Additional & Independent Director

Chief Financial Officer

Shri. Sushanth S Pai

General Manager - Secretarial & Company Secretary

Shri. Vijayanand S

Committees of the Board

Audit Committee

Shri. Milind S Sarwate - Chairman
Shri. George Zacharias - Member
Shri. C K Ranganathan - Member

Stakeholders Relationship Committee

Smt. Deepa Murugavel - Chairman
Shri. Murugavel Janakiraman - Member
Shri Milind S Sarwate - Member

Nomination and Remuneration Committee

Shri. Milind S Sarwate - Chairman
Shri. George Zacharias - Member
Shri. C K Ranganathan - Member

Share Allotment Committee

Shri. Murugavel Janakiraman - Chairman
Shri Milind S Sarwate - Member
Shri C K Ranganathan - Member

Corporate Social Responsibility Committee

Shri. Murugavel Janakiraman - Chairman
Shri C K Ranganathan - Member
Smt. Deepa Murugavel - Member

Risk & Governance Committee

Shri. George Zacharias - Chairman
Shri. Milind S Sarwate - Member
Shri. C K Ranganathan - Member

Auditors

Statutory Auditors

M/s. S R Batliboi Associates LLP
Chartered Accountants
6th & 7th Floor, "A" Block
Tidel Park, No.4, Rajiv Gandhi Salai
Taramani, Chennai - 600113

Internal Auditors

M/s. R.G.N Price & Co.
Chartered Accountants
Simpsons Buildings
861, Anna Salai, Chennai - 600 002

Secretarial Auditor

V. Suresh
Practising Company Secretary
No. 28, 1st Floor, Ganapathy Colony
3rd Street, Teynampet, Chennai - 600 018

Bankers

HDFC Bank Ltd
ICICI Bank Ltd
YES Bank Ltd
Kotak Mahindra Bank Ltd
State Bank of India

Registered Office

94, TVH Beliciaa Towers
10th Floor, Tower - II
MRC Nagar, Mandaveli
Chennai - 600 028

Registrar and Share Transfer Agents

Karvy Fintech Private Limited
Karvy Selenium, Tower B, Plot 31 & 32
Financial District, Gachibowli,
Hyderabad - 500032
Website: www.karvy.com
Email: support@karvy.com
einward.ris@karvy.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the Members of Matrimony.com Limited will be held on Wednesday, the 7th August, 2019 at 10.00 A.M. at "Narada Gana Sabha, Mini Hall, No.314, T T K Road, Alwarpet, Chennai - 600 018 to transact the following business:

ORDINARY BUSINESS

1. **Adoption of Audited Standalone Financial Statements**

   To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION

   RESOLVED that the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019, the Reports of the Board of Directors and the Auditors thereon, be and are hereby received and adopted.

2. **Adoption of Audited Consolidated Financial Statements**

   To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Report of the Auditors thereon, be and are hereby received and adopted.

3. **Declaration of Dividend**

   To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that out of the profits for the financial year ended 31st March, 2019, a Dividend at the rate of Rs. 1.5 (Rupees One and Paise Fifty only) per share on the equity share capital of the Company, as recommended by the Board of Directors, be and the same is hereby declared for the financial year 2018-19 and that the said dividend be paid to the Members whose names appear on the Register of Members as on 31st July, 2019 or their mandates.

   RESOLVED FURTHER that in respect of shares held in electronic form, the Dividend be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

4. **Re-appointment of Director**

   To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules thereunder, Mr. Murugavel J (holding DIN 00605009), who retires by rotation, be and is hereby re-appointed as a Director of the Company.

5. **Re-appointment of Statutory Auditors**

   To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the appointment of M/s. S R Batliboi & Associates LLP (LLP Identity no. AAB-4295), Chartered Accountants (Firm registration no. 101049W/E300004) as the Statutory Auditors of the Company, to hold office from the conclusion of this (18th) Annual General Meeting until the conclusion of the (21st) Annual General Meeting of the Company on a remuneration of 37 lakhs for the financial year, 2019-20 (excluding taxes, travelling and out of pocket expenses) which may be increased during the tenure that may be decided by the Board of Directors.

SPECIAL BUSINESS

6. **Appointment of Mrs Akila Krishnakumar as Independent Director of the Company**

   To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   RESOLVED THAT Mrs. Akila Krishnakumar (DIN: 06629992), who was appointed by the Board of Directors as an Additional Director of the Company effective August 10, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mrs Akila Krishnakumar, who meets the criteria for independence as provided in Section149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing August 10, 2018 through August 9, 2023."

7. **Payment of commission to Non-Executive Directors of the Company**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), Listing Regulations and the Articles of Association of the Company, as amended from time to time, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, may be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five (5) years, commencing April 1, 2019 up to March 31, 2024."

8. **To charge the fees for delivery of any document through a particular mode of delivery to a member**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him through such mode of service provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

9. **To consider and approve increasing the Foreign Institutional Investors ("FII") / Foreign Portfolio Investor ("FPI") / Non Resident Indian ("NRI") shareholding limit in the paid up share capital of the Company**

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as SPECIAL RESOLUTION:

RESOLVED THAT in supersession of all earlier resolutions passed by the shareholders and pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2015 ("Consolidated FDI Policy"), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India ("RBI") and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred as "Board" which term shall include any Committee thereof which the Board may have constituted to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to permit the eligible foreign investors including Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI") to purchase or acquire, on their own account and / or on behalf of their SEBI approved sub-accounts or Foreign Portfolio Investors (FPIs), Equity Shares, whether existing or proposed, of the Company, on the recognized stock exchange or in any other manner upto 49% (per cent) of the paid up equity share capital of the Company, provided however that the shareholding of each FII, on its own account and on behalf of each of the SEBI approved sub-accounts in the Company of FPI shall not exceed 10% (ten per cent) or such other limit as may be stipulated by Reserve Bank of India in each case, from time to time.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2015 ("Consolidated FDI Policy"), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India ("RBI") and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any Committee thereof which the Board may have constituted to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded for acquiring the Equity Shares, whether existing or proposed, of the Company by eligible foreign investors including Non Resident Indians ("NRIs") by purchase or acquisition on the recognized stock exchange or in any other manner including investment under the Portfolio Investment Scheme ("PIS"), subject to the conditions that the aggregate holding of the NRIs shall not exceed 24% (twenty four per cent) of the paid up equity share capital of the Company or such other limit as may be stipulated by Reserve Bank of India in each case, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all acts, deeds and things that may be necessary in this regard."

10. To extend the benefits and coverage of the Matrimony Employee Stock Option Scheme 2014" (the "ESOS 2014")to the employees of the Holding/Subsidiary Companies of the Company.

To consider and if deemed fit, to pass, with or without modification(s), the following resolution as SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to extend the benefits and coverage of the Matrimony Employee Stock Option Scheme 2014" (the "ESOS 2014"), also to such persons who are in permanent employment including the Managing and/or Whole-time Director(s), whether present and future, of the Company's holding/subsidiary companies and if permitted by law, to the employees of the associate companies of the Company, whether working in India or outside India, under the ESOS - 2014 in the manner as may be decided by the Board in accordance with the Companies Act, 2013 or rules made thereunder and other applicable provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in relation to the above

By Order of the Board of Matrimony.com Ltd
Sd/-
S Vijayanand
Company Secretary

Chennai
May 9, 2019

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member. The proxy form is annexed herewith. The duly completed proxy form must be sent so as to reach the Company not less than 48 hours before the commencement of the meeting.
2. A person shall not act as proxy on behalf of Members exceeding fifty in number and holding in the aggregate more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Explanatory Statement of material facts in respect of the Special Business and appointment of Auditors (pursuant to Section 102 of the Companies Act, 2013) is annexed hereto.
4. Members holding shares in physical form are requested to intimate the Registrar and Transfer Agent viz., Karvy Fintech Private Ltd, Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 (RTA), not later than 25th July, 2019, of any change in their address/details about their Bank account number, name of the Bank, Bank's branch name and address to enable the Company to remit the dividend electronically or alternatively, for incorporating in the dividend warrants. For shares held in dematerialised form, change in address/Bank account particulars may be intimated directly to the Member's Depository Participant(s).
5. Members holding shares in physical form are encouraged to nominate a person to whom their shareholding in the Company shall vest in the event of their demise. Nomination forms will be sent to the Members on request, by the RTA.
6. As per SEBI directive, it is mandatory for the transferees to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company/RTA for registration of transfer/transmission/transposition of shares in the physical form.
7. Electronic (soft) copy of the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip & Proxy Form and the Annual Report for 2018-19 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Notice of the 18th Annual General Meeting of the Company inter alia including the process and manner of e-voting along with the Attendance Slip & Proxy Form and the Annual Report for 2018-19 are being sent in the permitted mode.

ANNEXURE TO THE NOTICE

Details of the Director seeking appointment and re-appointment at the 18th Annual General Meeting

[Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The resume of the Directors seeking appointment/re-appointment, in brief and other details required to be provided pursuant to Regulation 36 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting are provided below for the consideration of the Members:

Mr. Murugavel J (DIN NO: 00605009)

Murugavel Janakiraman, aged 48 years, is a Promoter, Chairman and Managing Director of our Company. He has been associated with the Company since September 5, 2001. He holds a bachelor's degree in science and a master's degree in computer applications from the University of Madras. He started his career at Chennai-based Nucleus Software and moved to Singapore for a brief stint. He worked as a consultant in the US for leading companies on software projects and acquired valuable insights on Internet technologies.

Mr. Murugavel J holds 1,14,28,766* equity shares of the Company.

There were 7 Board meetings conducted during the year and Mr. Murugavel has attended all 7 Board meetings.

Mr. Murugavel J holds Directorship in Sys India Pvt Ltd, Consim Info USA Inc, Matrimony DMCC, Dubai, and Infonauts Inc, USA and is member & Chairman of Share Allotment Committee and Corporate Social Responsibility committee and member in Stakeholders Relationship Committee of the Company. He does not hold directorship in any other listed entity.

Mr Murugavel J, Promoter and Managing Director of the Company is spouse of Mrs.Deepa Murugavel, Non Executive Director. He is not related to the any other Directors and Key Managerial Personnel of the Company, and their relatives.

Except Mr.Murugavel J and Mrs.Deepa Murugavel, none of the Directors and Key Managerial Personnel, and their relatives, is concerned or interested, financially or otherwise, in the Resolution relating to his re-appointment.

* Includes 12 shares held on behalf of shareholders holding fractional shares on consolidation of shares from Rs. 3/- to Rs. 5/- on 5th August 2015

Mrs. Akila Krishnakumar (DIN NO: 06629992)

Mrs. Akila Krishnakumar aged 57 years has over 30 years of experience in software product development for financial services and education markets world-wide. She was President – Global Technology and Country Head for SunGard in India – then a Fortune 500 company and global leader in financial services software till the year 2013. In 2013, she stepped out of her executive position to pursue broader interests in the corporate and development sector. Since 2013, as the founding partner and board member of Social Venture Partners (India), a network of engaged citizens, she works to provide livelihood opportunities for disadvantaged women and youth. She is an alumnus of the Birla Institute of Technology and Sciences (BITS), Pilani

She has held several key industry positions and was formerly the Chairperson for the American Chamber of Commerce Chapter and Chair of Nasscom's Regional Council. She is a regular speaker at several International and National Conferences and leading organizations. She has won several awards and accolades including being among the top 5 women leaders in the Indian technology industry for many years.

Mrs. Akila Krishnakumar does not hold any share in the Company.

Mrs Akila Krishnakumar joined the Board of Directors as Additional Director on August 10, 2018. After her appointment 5 Board meetings were conducted for the year and Mrs. Akila Krishnakumar has attended 4 Board meetings.

Mrs. Akila Krishnakumar holds Directorship in the following other listed companies

1. HEIDELBERGCEMENT India Limited
2. Indusind Bank Limited

Mrs Akila Krishnakumar is not related to any Director or Key managerial Personnel of the Company.

None of the Directors and Key Managerial Personnel, and their relatives, is concerned or interested, financially or otherwise, in the Resolution relating to his re-appointment.

Explanatory Statement in respect of the Special Business (pursuant to Section 102 of the Companies Act, 2013 & Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) of the Notice dated May 9 , 2019

Item no. 5

M/s S.R. Batliboi and Associates LLP, Chartered Accountants, has been appointed as Statutory Auditors of the Company for a period of 5 years from 2014. Further to the above, M/s S.R. Batliboi and Associates LLP, Chartered Accountants has been serving as Statutory Auditors since the year 2012-13. As per the provisions of Section 139(2) of the Companies Act, 2013, the Company cannot appoint an audit firm as Statutory Auditor for more than two terms of five consecutive years. Currently, the total term completed as statutory auditors of the Company come to 7 years and they may be re-appointed for a maximum period of three years. Since the existing term of appointment of Statutory Auditors is expiring this year, the appointment need to be renewed by the Shareholders in the ensuing Annual General Meeting. The remuneration paid for the last year is Rs. 37 lakhs which includes Statutory Audit fees, Limited review fees, Tax audit fees and other Statutory certification fees. There is no proposal to increase the remuneration for the year 2019-20 and hence the remuneration proposed is Rs. 37 lakhs. However, the remuneration may be increased during the balance tenure based on market standards and level of engagement including additional statutory certifications.

The Audit Committee and the Board of Directors in their meeting held on May 9, 2019 had decided to recommend M/s S R Batliboi & Associates LLP, Chartered Accountants for reappointment based on the requisite experience in handling audits of internet sector companies including your Company for a period of 7 years.

Approval of the members is sought for re-appointment of Statutory Auditors for a period of three years from the conclusion of this Eighteenth Annual General Meeting to the conclusion of Twenty First Annual General Meeting.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No. 6

The Board of Directors ("**Board**"), upon recommendation of the Nomination and Remuneration Committee, appointed Mrs. Akila Krishnakumar as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective August 10, 2018. Pursuant to the provisions of Section 161 of the Act, Mrs.Akila Krishnakumar will hold office up to the date of the ensuing Annual General Meeting ("**AGM**") and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member proposing the candidature of Mrs. Akila Krishnakumarfor the office of Director.

The Company has received from Mrs. Akila Krishnakumar (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules,2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act and(iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mrs. Akila Krishnakumar as an Independent Director of the Company for a period commencing August 10, 2018 through August 9, 2023. Mrs. Akila Krishnakumar, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mrs. Akila Krishnakumar is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Mrs. Akila Krishnakumar as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mrs. Akila Krishnakumar are provided in page no. 24 to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mrs. Akila Krishnakumar, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Item No. 7

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed.

Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on May 9, 2019 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out in the Notice, except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the Ordinary Resolution as set out in the Notice for approval of the Members.

Item No. 8

The Company presently has 5 (Five) Non-Executive Directors on its Board, drawn from diverse fields. They spend substantial time and energy for the Company and contribute through their professional and management. The Board is of the view that it is necessary that adequate compensation be given to the Non-Executive Directors and the Independent Directors so as to compensate them for their time and efforts. Accordingly, it is proposed that in terms of section 197 of the Act, the Directors (apart from the Managing Director) may be paid, for each of the five consecutive financial years commencing April 1, 2019, remuneration not exceeding one per cent per annum of the net profits of the Company computed in accordance with section 198 of the Act. This remuneration will be distributed amongst the Directors in accordance with the directions given by the Board.

Except the Managing Director and Key Managerial Personnel of the Company and their respective relatives, all Directors and their respective relatives are concerned or interested in the Resolution set out at Item No. 8 of the Notice to the extent of the remuneration that may be received by each of them pursuant to this Resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the Members.

Item No. 9

In terms of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, FIIs registered with the Securities and Exchange Board of India ("SEBI") can acquire and hold on their own account and on behalf of their SEBI approved sub-accounts or FPI together, up to an aggregate limit of 24% (twenty four per cent) of the paid up Equity Share capital of an Indian Company and by NRIs up to 10% (ten percent) of the paid up Equity Share capital of the Company. The said Regulations further provide that (i) for FII / FPI, the limit of 24% (twenty four per cent) of the paid up Equity Share capital of the Company can be further increased up to the sectoral cap / statutory ceiling as applicable, and (ii) for NRIs, the limit of 10% (ten per cent) of the paid up Equity Share capital of the Company can be further increased upto 24% (twenty four per cent) of paid up Equity share capital of the Company, by passing a resolution of the Board, a Special Resolution to that effect by its members and followed by necessary filings with the Reserve Bank of India ("RBI").

To make more space for FIIs and FPIs to invest in the equity, both existing as well as proposed to be issued, of the Company, it is proposed to obtain an enabling approval of the Shareholders and of the relevant Government authorities, as may be applicable, to increase the present limit of FII/FPI shareholding in the Company from 24% (Twenty Four Per cent) to 49% (One Hundred per cent) of paid up equity share capital of the Company. Though at present shareholding of NRI in the Company is not significant, it is also proposed to obtain requisite enabling approvals from shareholders to increase their shareholding upto 24% (twenty four per cent) of the paid up equity share capital of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is in anyway concerned or interested in the resolution set out at Item No. 9 of the accompanying Notice

Hence the Directors recommend the Special Resolution set out at Item No. 10 of the accompanying notice, for the approval of the members of the Company.

Item 10

The shareholders of the Company at the extraordinary general meeting of the Company held on April 11, 2014 had accorded its consent to adopt and implement the Employee Stock Option Scheme 2014 ("ESOS 2014") for the benefit of the permanent employees and directors (except promoter directors and independent directors) of the Company comprising 17,85,186 options which were convertible into equivalent number of equity shares of Rs. 3 each. However, pursuant to adjustment on account of bonus issues made on December 31, 2014 and January 27, 2015 and the consolidation of shares from face value of Rs. 3/- to Rs. 5/-, the total number of options available including the outstanding options that are not exercised as on the date of this notice is 9,55,804.

As per the Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 ("Regulations"), no company can make any fresh grant of options subsequent to an IPO under a pre-IPO employee stock option scheme unless the pre-IPO employee stock option scheme is in conformity with the Regulations and the pre-IPO employee stock option scheme is ratified by the members subsequent to the IPO. Accordingly shareholders ratified the pre-ipo scheme vide resolution dated January 2, 2018 passed through postal ballot. However, inorder to extend the benefits and coverage of the Matrimony Employee Stock Option Scheme 2014", the "ESOS 2014" to the employees of the Holding/ Subsidiary Companies of the Company, approval of shareholders by way of separate resolution is needed as per the regulation 6(3)(c) of SEBI (Share Based Employee Benefits) Regulations, 2014

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is in anyway concerned or interested in the resolution set out at Item No. 10 of the accompanying Notice

Hence the Directors recommend the Special Resolution set out at Item No. 10 of the accompanying notice, for the approval of the members of the Company.

Place: Chennai
Date: May 9, 2019

By Order of the Board of Matrimony.com Limited
S.Vijayanand
Company Secretary

INSTRUCTIONS FOR ELECTRONIC VOTING [e-voting]

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of The Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ("Amended Rules 2015") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), the Company is pleased to provide the Members the facility to exercise their right to vote on the resolutions proposed for consideration at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an e-voting system from a place other than the venue of the AGM ("remote e-voting") is being provided by M/s. Karvy Fintech Private Limited ("Karvy").

II. Mr. V. Suresh, Company Secretary will be act as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

III. **The remote e-voting period commences on August 3, 2019 (9 A.M. Indian Standard Time) and ends on August 6, 2019 (5 P.M. Indian Standard Time). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 31, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently**.

IV. The process and manner for remote e-voting are as under:

A. In case of Members receiving e-mail from Karvy (for Members whose e-mail IDs are registered with the Company/Depository Participant(s):

(i) Open your web browser during the voting period and navigate to https://evoting.karvy.com

(ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be the EVEN number followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

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

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

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

(vi) On successful login, the system will prompt you to select the e-voting event. (vii) Select the EVENT of Matrimony.com Limited and click on "SUBMIT". (viii) Now you are ready for e-voting as "Cast Vote" page opens.

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

(viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

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

(x) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution(s).

(xii) Corporate/institutional members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the board resolution/authority letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail:vsureshpcs@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Matrimony – 18th AGM".

B. In case of Members receiving physical copies of the Notice of AGM (for Members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy):

i. E-Voting Event Number (EVEN), User ID and Password is provided in the Ballot Form.

ii. Please follow all steps from sl. no. (i) to sl. no. (xiv) above to cast vote.

C. Voting at AGM:

The Members who have not cast their vote electronically can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM venue.

Other instructions:

i. In case of any queries, you may refer Help & FAQ section of https://evoting.karvy.com (Karvy website) or call Karvy on 040-67162222 & Toll-free No.1-800-3454-001.

ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

iii. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date viz., July 31, 2019. However, a person who is not a Member as on the cut off date should treat this Notice for information purpose only. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period. Once the vote on a resolution is cast by the Member, he will not be allowed to change it subsequently or cast the vote again.

iv. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice to the shareholders and holding shares as on the cut-off date of July 31, 2019, may obtain the login ID and password by sending a request at einward.ris@ karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot user details/Password" option available on https:// evoting.karvy.com

v. Since the Company is required to provide the Members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date and not casting their vote electronically, may cast their vote at the AGM venue. Facility will be available at the venue.

vi. Members who have cast their votes through remote e-voting may also attend the AGM. However, those Members are not entitled to cast their vote again in the AGM.

vii. Voting facility will be provided to the Members through electronic voting system or through ballot/polling paper at the AGM venue. A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM. Thus, voting facility at the AGM shall be used only by those who have not exercised their right to vote through remote e-voting.

viii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, by use of e-voting for all those members who are present at the AGM who have not cast their votes by availing the remote e-voting facility.

ix. The Scrutiniser shall after the conclusion of voting at the AGM will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company who shall make, within forty-eight hours of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

x. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.matrimony. com and on the website of Karvy immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s).

V. All documents referred in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days except Saturdays and Sundays, up to and including the date of the AGM.

Route Map for AGM Venue

BOARD'S REPORT

Dear Shareholders,

The Board of Directors of your Company take pleasure in presenting the Eighteenth Annual Report of the Company together with the audited consolidated & standalone financial statements and the auditor's Report thereon for the financial year ended March 31, 2019.

The results of operations for the year under review are given below:

Results of Operations

in Rs. Lacs, except per equity share data

	Consolidated		Standalone	
	FY 19	FY 18	FY 19	FY 18
1. Net Revenue	34,842.75	33,544.49	33,977.19	30,821.32
2. Other Income	165.36	6.93	175.27	21.51
3. Total income (2+3)	35,008.11	33,551.42	34,152.46	30,842.83
Expenditure:				
a) Employee Benefit Expenses	14,148.06	13,288.98	14,093.58	13,274.81
b) Marketing Expenses	8,103.83	5,603.20	8,122.39	5,592.33
c) Infra /Communication/ Admin Expenses	7,084.10	6,892.92	7,063.65	6,644.33
4. Total expenditure	29,335.99	25,785.10	29,279.62	25,511.47
5. EBITDA (3-4)	5,672.12	7,766.32	4,872.84	5,331.36
6. Depreciation/Amortization	1,108.24	957.45	1,105.63	957.15
7. Finance Cost	9.48	153.20	7.92	125.98
8. Finance Income	1,393.32	637.66	1,395.45	641.41
9. Profit before tax and exceptional items (5-6-7+8)	5,947.72	7,293.33	5,154.74	4,889.64
10. Exceptional (Income) / Expenses	-	(1,281.92)	-	(1,281.92)
11. Net Profit before tax (9-10)	5,947.72	8,575.25	5,154.74	6,171.56
12. Tax Expense	1,635.79	1,188.99	1,564.55	1,188.73
13. Net Profit after tax (11-12)	4,311.93	7,386.26	3,590.19	4,982.83
14. Other Comprehensive Income -Net of Tax	(41.22)	(49.80)	(26.91)	(60.06)
15. Total Comprehensive Income (13+14)	4,270.71	7,336.46	3,563.28	4,922.77
16. Retained Earnings (Opening Balance)	2,991.37	(4,338.62)	3,592.72	(1,333.85)
17. Transfer to General Reserve	-	-	-	-
18. Retained earnings (Closing Balance)	6,831.25	2,991.37	6,710.86	3,592.72
19. EPS Basic	18.97	33.61	15.80	22.67
20. EPS Diluted	18.89	33.40	15.73	22.53

Business Review

Your Company has achieved consolidated revenue of Rs. 34,842.75 Lacs during the year under review as against Rs. 33,544.49 Lacs during the previous financial year, a growth of 3.87% year on year. The operating expenses stood at Rs. 29,335.99 lacs during the year as against Rs. 25,785.10 Lacs of the previous year, representing an increase of 13.77%. The Earnings before Interest, Tax and Depreciation (EBITDA) for the year was at Rs. 5,672.12 Lacs as against Rs. 7,766.32 Lacs for the previous year, a decline of 26.97%. The Profit before Tax and exceptional item for the year was at Rs. 5,947.72 Lacs as against Rs. 7,293.33 Lacs of the previous year, representing a decline of 18.45%. The Company's consolidated Net Profit (PAT) for the year was at Rs. 4,311.93 as against Rs. 7,386.26 Lacs of the previous year, a decline of 41.62%, against the previous year. The decline is attributed to increase in marketing expenses by 44.63% in order to fuel future growth

Your Company has two business segments, Matchmaking & Marriage Services and considers them as primary segment under Ind AS 108 for reporting.

Matchmaking

Profile registration in Matchmaking segment recorded a growth of 9.49% year on year. The Company has added 4.08 million free profiles and 7.31 lakhs paid subscriptions. The revenue on a consolidated basis, for the current year was at Rs. 33,577.77 Lacs as against Rs. 31,907.93 Lacs for the previous year, resulting in a growth of 5.23%. The matchmaking EBITDA for the year declined by 20.07% to reach Rs. 8,342.58 Lacs as against Rs. 10,437.75 Lacs of the previous year, mainly on account of increase in marketing expenses.

Marriage Services

The Marriage Services Revenue for the year was at Rs. 1,264.98 Lacs as against Rs. 1,636.56 Lacs of the previous year, resulting in a decline of 22.70%. The cash burn for the year was at Rs. 1,420.75 Lacs as compared to loss of Rs.1,678.44 Lacs of the previous year. This segment is in very nascent stage and is expected to incur cash loss till a material size is attained.

Detailed analysis of the performance of the Company and its businesses has been presented in the section on Management Discussion and analysis Report forming part of this annual Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review has stipulated under Regulation 34 (2) (e) of the SEBI (LODR) Regulations 2015 is presented as in a separate section and forming part of this report.

Liquidity

Your Company, posts the completion of the public issue of equity shares, has repaid the Working Capital facility and is debt free. As on March 31, 2019, on a consolidated basis, we had liquid assets (includes cash and cash equivalents and investments) of Rs. 20,435.55 Lacs, as against Rs. 17,149.70 Lacs at the previous year end. The details of these investments are disclosed under the 'non-current and current investments' section in the standalone and consolidated financial statements in this Annual Report.

Future Outlook

Company being the leader in the matchmaking space believes the growth prospect is high as the Country has large unmarried population spread across the Globe coupled with the increasing internet and mobile penetration in India, cultural receptivity to arranged marriages and increased freedom of choice over life decisions. Internet base in India is expanding very rapidly and is expected to grow significantly in the coming years and this augurs well for the on line matchmaking segment. To ride on the growth, your Company will continue to focus on product and process improvements and invest in brand.

Dividend

Your Company has been consistent in generating operating cash flow over the years. The dividend policy indicates that the Company endeavors to maintain a dividend pay-out ratio of 10%-15% of standalone profits after tax, excluding exceptional transactions. The payout ratio may be altered if cash is to be retained under certain circumstances. In line with the policy, the Board has recommended a final dividend of Rs. 1.5 per equity share in its meeting held on May 9, 2019 subject to approval by the shareholders at the ensuing annual general Meeting. The total dividend pay-out including the Dividend Distribution tax for the current year is Rs. 411.02 Lacs

Transfer of Unclaimed Dividend to Investor Eduction and Protection Fund

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

Significant Events

There are no significant events during the year

Shares

Buy Back of Securities

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

Sweat Equity

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

Bonus Shares

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

Employees Stock Option Scheme

The Employee Stock option scheme enables the Company to hire and retain the best talent for its senior management and key positions. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the employee stock option scheme in accordance with the applicable SEBI Regulations. The disclosure as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is as under

i) Options movement during the year

Sl. No.	Particulars	ESOS 2014
1.	Number of options outstanding at the beginning of the year	1,92,523
2.	Number of options granted during the year	27,000
3.	Number of options forfeited / lapsed during the year	13,100
4.	Number of options vested during the year	19,281
5.	Number of options exercised during the year	18,445
6.	Number of shares arising as a result of exercise of options	18,445
7.	Variation of terms of options	NIL
8.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	27,18,146
9.	Number of options outstanding at the end of the year	1,87,978

ii) Employee wise details of options granted to

Key Managerial Personnel	Mr. Sushanth S Pai – 6000 Options
	Mr. Prasad Nelliparthi – 4000 options
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Mr. Karthikeyan Jagannathan – 5000 options Mr. K P Jaikumar – 5000 Options Mr. Sushanth S Pai – 6000 Options Mr. Nikhil Jois – 3000 options Mr. Tejovanth N – 3000 options
Identified employees who were granted option, during the year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

The Employee Stock Option Scheme 2014 is in compliance with SEBI (Share based Employee Benefits) Regulations 2014. The details required under Regulation 14 of the SEBI (Share based Employee Benefits) Regulations 2014 are available on the Company's website at https://www.matrimony.com/investors/annual_report/Disclosure under SEBI Regulations 2019. php

The Company has received a Certificate from the Auditors of the Company that the Schemes have been implemented in accordance with the SEBI Regulations. The Certificate would be placed at the Annual General Meeting for inspection by members.

Board of Directors

During the year under review, Mrs. Akila Krishnakumar was appointed as as Additional Director with effect from August 10, 2018 and also as an Independent Director seeking approval in the ensuing Annual General Meeting. Mr. Murugavel J, Managing Director retires at this Annual General Meeting and being eligible offers himself for re-election.

Number of Board Meetings Conducted During the Year Under Review

The Company had 7 Board meetings during the financial year under review and a separate meeting of the Independent Directors on 25/03/2019.

Board Evaluation

The performance evaluation of the Board, its committees and individual Directors including independent Directors was conducted based on the criteria laid down by the Nomination and Remuneration Committee of the Company covering various aspects of the Board's functioning such as adequacy of the Composition of the Board and its committees, Board culture, execution and performance of specific duties, obligation and Governance.

The Board has carried out the annual performance evaluation pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, of its own performance, the individual Directors including independent Directors and its Committees based on the predetermined templates designed as a tool to facilitate evaluation process, on parameters such as level of engagement, contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

Particulars of Loans, Guarantees or Investments Made

The particulars of Loans, guarantees or investments made under section 186 of the Companies Act, 2013 is furnished below:

Investment		
Name of the Company	No of shares	Amount (in Rs.)
Sys India Private Limited	1,00,000	1,00,000
Consim Info USA Inc., USA	1,000	45,120
Matrimony DMCC	50	10,17,000

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The disclosures to be made under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts)Rules, 2014 by the Company are as under.

i) Conservation of Energy

Steps taken or Impact on Conservation of Energy.

The Company strives and makes conscious efforts to reduce its energy consumption though business operations of the Company is not energy intensive. Some of the measures undertaken are listed below:

1. Usage of LED lights at office spaces that are more energy efficient
2. Regular monitoring of temperature inside the office premises and controlling the Air Conditioning system
3. Rationalisation of usage of electricity
4. Planned preventive maintenance

ii) Technology Absorption

The Company by itself operates into the dynamic information technology space. The Company has adequate members in Technology development functions and keep updating the changes in technology.

iii) Foreign Exchange earnings and outgo

The details of the Foreign Exchange earnings and outgo are given below:

a) Earnings in Foreign Currency (in Rs. Lacs)

Sl No	Particulars	2018-19	2017-18
1	Income from services	404.88	466.43
2	Database access fees	51.35	-
3	Business License fees	-	1,555.04
4	Guarantee Fee	-	3.75
	Total	**456.23**	**517.78**

b) Expenditure in Foreign Currency (in Rs. Lacs)

Sl No	Particulars	2018-19	2017-18
1	Advertisement Expenses	153.60	32.39
2	Web hosting charges	25.39	1.07
3	Other Expenses	88.12	9.40
	Total	**267.11**	**42.86**

Particulars of Employees & Remuneration

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report as an **ANNEXURE A**.

The information required under 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **ANNEXURE B.**

The Managing Director has not received any remuneration or commission from its subsidiary.

Secretarial Audit

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

Secretarial Standards

The Company complies with all applicable secretarial standards.

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 Statement 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 statement relate on the date of this report.

Fixed Deposits

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and no amount of principal or interest was outstanding as on the Balance Sheet date.

Details of Subsidiaries

Your Company has three wholly owned subsidiaries, viz. Sys India P Ltd, Consim Info USA Inc and Matrimony DMCC, Dubai. During the year, the Company has filed an application under Section 248 (2) for removing the name of the following subsidiaries from the Registrar of Companies, Chennai

1. Community Matrimony Pvt Ltd
2. Tambulya Online Marketplace Private Ltd
3. Matchify Services Pvt Ltd

The Registrar of Companies, Chennai vide orders dated February 13, 2019 has published a notice pursuant to sub-section (5) of Section 248 of the Companies Act, 2013 striking off the name from the register of companies and the said Companies were dissolved.

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

Human Resources Management

Your Company having a pan India presence employs around 4410 associates to accomplish the purpose of the Company "HAPPY MARRIAGES". We have unleashed the power of inclusion by our geographical spread to cater to various Indian communities across the globe. Gender equity is our strength, as 50% of our associates are women, with an average age of our associates being 27 years. Internal Employee Satisfaction Survey conducted during the year revealed a high score reflecting your Company to be an Employer of Choice. Focus will be on in the coming years to undertake Career Development Program wherein competency gaps of select individual employees will be identified. Individual Development Plans (IDPs) will be drawn up, based on the gaps identified.

Related Party Transactions

The Company has a Policy for dealing with Related Parties as per the requirements of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

In line with its stated policy, all Related Party transactions are placed before the Audit Committee for review and approval. The related party transactions of the Company that are disclosed in the financial statements are transactions which are entered into with the wholly owned subsidiaries pursuant to an agreement with them for a minimum period of three years. The Company has not entered into any related party transactions other than with the wholly owned subsidiaries. The list of Related Parties is reviewed and updated periodically as per the prevailing regulatory conditions.

A statement containing the nature and value of the transactions entered into by the Company with Related Parties is presented by the Chief Financial Officer for quarterly review by the Committee. All transactions with Related Parties entered during the financial year were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large. There are no contracts or arrangements entered into with Related Parties during the year. However the details of the contracts that are entered and that are subsisting during the year is disclosed under Sections 188(1) and 134(h) of the Companies Act, 2013 in form AOC-2 as **ANNEXURE E**.

Corporate Governance

Your Company strongly believes that the spirit of Corporate Governance goes beyond the statutory form. Sound corporate governance is the key driver of sustainable corporate growth and long term value creation for the stakeholders and protection of their interests. Your Company endeavors to meet the growing aspirations of all stake holders including shareholders, employees and customers. Your Company is committed to maintaining the highest level of transparency, accountability and equity in its operations. Your Company always strives to follow the path of good governance through a broad framework of various processes.

The report on Corporate Governance as stipulated under Regulation 34(3) of SEBI (LODR) Regulations, 2015 is presented in a separate section and forming part of this report as **ANNEXURE G**.

Your Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 as amended from time to time. The Auditors Certificate on compliance with respect to the same is annexed with report on Corporate Governance as **ANNEXURE II**.

Social Commitment

The Company's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education, environmental sustainability and healthcare as the core focus areas. In accordance with the requirements of the CSR provisions in the Companies Act, 2013, the Company has put in place a CSR policy incorporating the requirements therein which is also available on the Company's website at the following link:

https://www.matrimony.com/investors/policies/Corporate-Social-Responsibility-Policy.pdf

The CSR committee was constituted for implementation of CSR activities and the Composition of the Committee as on 31st March 2019 is given below:

Sl. No.	Name of the Director	Position
1.	Shri Murugavel J – Managing Director	Chairman
2.	Shri C K Ranganathan – Independent Director	Member
3.	Smt Deepa Murugavel – Non Executive Director	Member

Average net profit of the company for last three financial years is Rs. 1,989.9 lakhs

Prescribed CSR Expenditure (two per cent. of the amount as above): Rs. 39.8 lakhs

Details of CSR spent during the financial year:

Total amount spent for the financial year 2018-19: 1.8 lakhs

Amount unspent, if any; Rs. 38 lakhs

Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1.	Plastic waste Management	Environmental protection	Chennai, Tamilnadu	1,80,000	1,80,000	1,80,000	Amount spent through implementing agency – Exnora International – Non Governmental Organisation
	Total			**1,80,000**	**1,80,000**	**1,80,000**	

Reasons for not spending full amount

The Company was required to spend an amount of Rs. 39.8 lakhs. The Company could spend only Rs. 1.8 lakhs. Being the first year of applicability of the CSR provisions for spending, the Company required adequate time to make sure relevant and suitable projects are identified in order to create a long term impact. The CSR thrust areas have been identified where the Company wishes to create equity and also lay down guiding criteria for selecting projects which includes sustainability, social impact, etc. The Company in order to give a boost to our efforts and pinpoint those to the needs of the Society is planning to setup a working committee to address the CSR needs of the Company. The working committee which will meet periodically to discuss the social needs of the communities around the place. While we are taking some time to define and articulate our internally generated CSR Projects better, seeking help from external experts and incorporating the key suggestions of the Committee, we are satisfied with the progress we have been making in our CSR efforts. On the recommendation of the CSR Committee, the Board of Directors have decided to carry forward the unspent amount, to be spent during the financial year 2019-20. The Company hereby confirms that the carry forward amount is in addition to the amount to be spent for the next financial year. During the year, the Company has contributed Rs. 10 lakhs to GAJA cyclone relief to the Government of Tamilnadu and Rs. 8.54 lakhs towards Kerala Flood relief to the Government of Kerala. Though the above contributions does not fall under the CSR project under the provisions of the Companies Act, 2013, it reflects the commitment of the Company to contribute to the society.

The CSR committee hereby confirms that, the implementation and monitoring of CSR policy, in compliance with CSR objectives and policy of the Company.

Declaration of Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill 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.

The detailed terms of appointment of IDs is disclosed on the Company's website in the following link https://www.matrimony.com/investors/policies/letter-of-appointment-of-independant-director-06-02-18.pdf

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 30th September 2014. Their term gets completed in the Eighteenth Annual General Meeting. Further to the above, M/s S.R. Batliboi and Associates LLP, Chartered Accountants has been serving as Statutory Auditors since the year 2012-13. As per the provisions of Section 139(2) of the Companies Act, 2013, the Company cannot appoint an audit firm as Statutory Auditor for more than two terms of five consecutive years. Currently, the total term completed as statutory auditors of the Company come to 7 years and they may be re-appointed for a maximum period of three years. Since the existing term of appointment of Statutory Auditors is expiring this year, the appointment need to be renewed by the Shareholders in the ensuing Annual General Meeting. The Audit Committee and the Board of Directors in their meeting held on May 9, 2019 had decided to recommend M/s S R Batliboi & Associates LLP, Chartered Accountants for reappointment from the conclusion of this Eighteenth Annual General Meeting to the conclusion of Twenty First Annual General Meeting, based on the requisite experience in handling audits of internet sector companies

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.

Risk Management

The Company has developed and adopted a Risk Management Policy. This policy identifies all perceived risk which might impact operations and on a more serious level and also threaten the existence of the Company. Risks are assessed department wise, such as financial risks, information technology related risks, legal risks etc. The management also ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities. The information on the risk management is explained in details in the Management Discussion and Analysis Report which forms part of the report.

Disclosure of Composition of Audit Committee and Establishment of Vigil Mechanism

The Audit Committee consists of the following members who are independent Directors

Mr. Milind S Sarwate

Mr. George Zacharias

Mr. C K Ranganathan

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

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. An Internal Compliance committee has been constituted.

During the financial year 2018-19, there were 7 complaints on sexual harassment and appropriate action was taken after investigation. Necessary steps were taken to create awareness on the prevention of Sexual harassement policy.

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 annexed herewith as **ANNEXURE F** and the same is also available in the website of the Company.

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

Internal Control Systems

Internal control systems in the organisation are looked at as the key to its effective functioning. The Internal Audit team periodically evaluates the adequacy and effectiveness of these internal controls, recommends improvements and also reviews adherence to policies based on which corrective action is taken to address gaps, if any. Revenue and capital expenditures are governed by approved budgets and the levels are defined by a delegation of authority mechanism. Review of capital expenditure is undertaken with reference to benefits expected in line with the policy for the same Investment decisions are subject to formal detailed evaluation and approved by the relevant authority as defined in the delegation of authority mechanism. The Audit Committee reviews the plan for internal audit, significant internal audit observations and functioning of the Company's Internal Audit department on a periodic basis.

Internal Financial Control Systems with reference to the Financial Statements

The Company has a formal system of internal financial control to ensure the reliability of financial and operational information and regulatory & statutory compliances. The Company's business processes are enabled by an Enterprise-wide Resource Platform (ERP) for monitoring and reporting processes resulting in financial discipline and accountability.

Disclosure on maintenance of Cost Records

The Company is not required to maintain the cost records under sub-section (1) of section 148 of Companies act 2013.

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 laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgments

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 of Matrimony.com Limited

Place: Chennai

Date: May 9, 2019

Murugavel J

Chairman & Managing Director

ANNEXURE A

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of theCompany for the financial year

Name of the Director	Designation	Ratio to median remuneration
Mr Murugavel J	Chairman & Managing Director	157.60:1

- The median remuneration of employees of the Company was Rs.1,59,751
- For this purpose, sitting fees paid to the Directors have not been considered as remuneration

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year

Name of the Director/KMP	Designation	% increase in remuneration
Mr Murugavel J	Chairman & Managing Director	15%
Mr. Balasubramanian K*	Chief Financial Officer	-
Mr. Sushanth S Pai#	Chief Financial Officer	-
Mr. Vijayanand S	Company Secretary & Compliance Officer	-

- The above increase is on the basis of actual remuneration paid for both the years.

* Resigned with effect from December 14, 2018

\# Appointed with effect from December 15, 2018

3. The percentage increase in the median remuneration of employees in the financial year: 8%
4. The number of permanent employees on the rolls of Company: 4410
5. Average percentage increase already made in the salaries of employees other than the managerial Personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

   Average increase in remuneration is 8% for employees other than managerial personnel and 8% for Managerial Personnel.
6. Affirmation that the remuneration is as per the remuneration policy of the Company

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

Place: Chennai

Date: May 9, 2019

Murugavel J

Chairman & Managing Director

ANNEXURE B

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
			Earnings							
1	J Murugavel	Managing Director	196.42	Permanent	Holds Bachelor's Degree of Science in Statistics and Master's Degree in Computer applications from the University of Madras	September 5, 2001	48 yrs	Senior Programmer in Real Soft Inc, USA	50.28	Yes. Spouse of Director Ms Deepa Murugavel
2	Chandrasekar R	Chief Technology Operation and Infrastructure officer	93.83	Permanent	Holds Bachelor's Degree in Science and Masters degree in Computer application from Bharathidasan University. Has over 27 years of experience in the field	December 8, 2006	50 yrs	Sify Technologies Limited	0.05	No
3	Saichitra S	Chief Portal and Mobile Officer	85.24	Permanent	Holds Bachelor's degree in Computer Science and Master's degree in computer application from Bhartidasan university. She has over 18 years of experience in the field of product development and technology	Since Incorporation	41 yrs	Nil	0.21	No
4	Prasad Nelliparthi	Chief Human Resources Officer	83.09	Permanent	Holds Bachelor's Degree in Commerce, Master's Degree in Social Work, has over 30 years of experience.	May 10, 2018	53 Yrs	Ex.Vice President HR – Tube Investments of India Ltd	-	No
5.	Mugunthan S	Sr. Vice President – Technology	62.70	Permanent	Holds Bachelor's Degree in Engineering at Coimbatore Institute of Technology and M.B.A – Financial management from IGNOU. He has over 26 years of experience	April 4, 2013	54	Sify Technologies Limited as General Manager - CIO – Information Services	0.02	No

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
6.	Kiran Vijayakumar	Vice President – Technology	61.19	Permanent	Holds Bachelor's degree of Technology (Computer Science & Engineering) from college of engineering, Thiruvanathapuram. Has over 20 years of experience.	July 15, 2015	43 yrs	UST Global – Director, Cloud Practice	-	No
7.	Karthikeyan J	Sr. Vice President – Matrimony Bazaar	54.17	Permanent	Holds Bachelor's degree in Commerce & Executive MBA from Loyola Institute of Business Administration and has over 20 years of experience	August 6, 2018	47 yrs	Suleka.com New Media Pvt Ltd	-	No
8.	Jubby N Jacob	Associate Vice President	54.02	Permanent	Master's of Business administration. Has 19 years of experience in sales and operations.	September 23, 2013	42 yrs	Bharti airtel ltd.	-	No
9.	Srinath Duggirala	Vice President – Products	52.57	Permanent	Holds Bachelor's degree in Technology from IIT Kharagpur & PGDM from IIM Ahmedabad and has over 12 years of work experience.	December 15, 2016	35 Yrs	Vice President – Info Edge India Ltd (99 Acres.com)	-	No
10.	Vaitheeswaran S	Associate Vice President	50.19	Permanent	Holds Bachelor's degree in Engineering & PGDM from SCM HRD and has over 16 years of work experience.	November 07, 2013	39 Yrs	Reliance Retail Ltd	-	No

ANNEXURE C

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year 2018-19

[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 31st March 2019, 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 31st March 2019 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;

(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;

 (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

 (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

 (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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We observe that the Company is required to spend Rs. 39.8 lakhs on CSR activities as per the provision of Section 135(5) of the Companies Act, 2013 for the Financial Year 2018-19 and against the same the Company has incurred expenses of Rs. 1.8 lakhs during the year resulting in balance unspent amount of Rs. 38 lakhs.

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

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,

- The company has issued and allotted 12730 equity shares of Rs. 5/- each on 03rd May 2018 and 5715 equity shares of Rs. 5/- each on 10th August 2018 pursuant to exercise of options granted under Employee Stock Option scheme 2014.

Place: Chennai
Date : 08.05.2019

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

ANNEXURE D

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	Invest-ments	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	8,70,640	94,78,160	85,07,520	-	20,08,012	2,51,656	69,815	1,81,841	-	100%	India
2.	Consim Info USA Inc	INR	69.20	45,120	1,88,23,822	2,80,37,310	91,68,376	-	8,70,01,597	8,33,47,694	70,53,604	7,62,94,089	-	100%	USA
3.	Matrimony DMCC	INR	18.84	10,16,474	(42,74,191)	1,83,50,701	2,16,08,418	-	70,10,449	(43,02,029)	-	(43,02,029)	-	100%	UAE

ANNEXURE E

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 2018-19.

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 & Wholly Owned 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 & Wholly Owned Subsidiary Company
2.	Nature of contracts/arrangements/transaction	1. Agency services in USA for match making business 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	3 years, 01/04/2018 to 31/03/2021
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of 75 Crores per annum
5.	Date of approval by the Board	01/02/2018
6.	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Matrimony DMCC, Dubai & Wholly Owned Subsidiary Company
2.	Nature of contracts/arrangements/transaction	1. Granting of License to operate the Company's Match making business in GCC countries. 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	Effective from 02/01/2019 to 31/03/2022
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of 6 Crores
5.	Date of approval by the Board	12/02/2019
6.	Amount paid as advances, if any	NIL

ANNEXURE F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

[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	:	L63090TN2001PLC047432
ii)	Registration Date	:	13/07/2001
iii)	Name of the Company	:	Matrimony.com Limited
iv)	Category / Sub-Category of the Company	:	Company limited by Shares/Non-govt Company
v)	Address of the registered office and contact	:	No.94, TVH Beliciaa Towers, Tower II, 10th Floor, details MRC Nagar, Chennai - 600028
vi)	Whether listed Company	:	Yes/~~No~~
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Pvt 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	63121	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.	Sys India Private Limited No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai - 600028	U74300TN2010PTC075740	Subsidiary	100%	2(87)(ii)
2.	Consim Info USA Inc., 220 Davidson Ave, Suite 315, Somerset, New Jersey 08873		Subsidiary	100%	2(87)(ii)
3.	Matrimony DMCC No. 903, Fortune Executive Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates.		Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Categorywise Shareholding

Category of Share Holders	No of Shares held at the beginning of the Year (as on 1.4.2018)				No of shares held at the end of the year (as on 31.3.2019)				% of change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	1,14,28,766	-	1,14,28,766	50.32%	1,14,28,766	-	1,14,28,766	50.28%	-0.04% #
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	
d) Bodies Corporate	-	-	-	-	-	-	-	-	
e) Banks/ FI	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,14,28,766**		**1,14,28,766**	**50.32%**	**1,14,28,766**	**-**	**1,14,28,766**	**50.28%**	**-0.04%**
B. PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	19,72,160	-	19,72,160	8.68%	53,450	-	53,450	0.24%	-8.44%
b) Banks/FI	306	-	306	-	912	-	912	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	23,78,488		23,78,488	10.47%	23,78,488	-	23,78,488	10.46%	-0.01%
i) Others (Specify) Foreign Company	60,89,856		60,89,856	26.81%	78,03,863	-	78,03,863	34.34%	7.53%
Sub Total (B) (1)	**1,04,40,810**		**1,04,40,810**	**45.97**	**1,02,36,713**	**-**	**1,02,36,713**	**45.04%**	**-0.93%**
2 Non Institutions									
a) Bodies Corporate									
i) Indian	95,290		95,290	0.41%	1,45,462		1,45,462	0.63%	0.22%
ii) Overseas	-	-	-		-	-	-		
b) Individuals	-	-	-		-	-	-		
i) Individuals Shareholders holding Nominal share capital up to Rs.1 Lakh	3,84,367	28,578	4,12,945	1.82%	4,99,566	-	4,99,566	2.20%	0.38%
ii) Individuals shareholders holding Nominal share in excess of Rs.1 Lakh	98,600	44,676	1,43,276	0.63%	79,440	44,676	1,24,116	0.55%	-0.08%
c) Others (specify) NRI, NBFC, Non-Repatriable Non Resident, Clearing Members & Foreign Nationals	1,88,024	1,800	1,89,824	0.84%	2,48,257	46,476	2,94,733	1.30%	0.46%
Sub Total (B) (2)	**7,66,281**	**75,054**	**8,41,335**	**3.70%**	**9,72,725**	**91,152**	**10,63,877**	**4.68%**	**0.98%**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**1,12,74,537**	**75,054**	**1,12,96,582**	**49.67%**	**1,12,09,438**	**91,152**	**1,13,00,590**	**49.72%**	**0.05%**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A+B+C)	**2,26,35,857**	**75,054**	**2,27,10,911**	**100%**	**2,26,38,204**	**91,152**	**2,27,29,356**	**100%**	**-**

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

the difference is due to dilution on account of issue of new 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	1,14,28,766	50.32%	-	1,14,28,766	50.28%	-	-0.04%
	TOTAL	1,14,28,766	50.32%	-	1,14,28,766	50.28%	-	-0.04%

* 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	Shareholders Name	Shareholding at the beginning 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
	Mr. Murugavel J				
	At the beginning of the year	1,14,28,766*	50.32%		
	Less: Sale of shares during the year	-	-	1,14,28,766	50.28%
	At the end of the year	1,14,28,766	50.28%	1,14,28,766	50.28%

* 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	33,66,415	14.81%	-	-
	At the End of the year (or on the date of separation, if separated during the year)	33,66,415	14.81%	33,66,415	14.81%
2	**Mayfield XII Mauritius**				
	At the beginning of the year	23,78,488	10.46%	-	-
	At the End of the year (or on the date of separation, if separated during the year)	23,78,488	10.46%	23,78,488	10.46%
3	**Nalanda India Equity Fund Limited**				
	At the beginning of the year	-	-	-	-
	Add: Market Purchase	21,23,500	9.34%	-	-
	At the End of the year (or on the date of separation, if separated during the year)	21,23,500	9.34%	21,23,500	9.34%
4	**Goldman Sachs India Limited**				
	At the beginning of the year	9,55,568	4.20%	-	-
	At the End of the year (or on the date of separation, if separated during the year)	9,55,568	4.20%	9,55,568	4.20%
5	**Marathon Edge India Fund I**				
	At the beginning of the year	-	-	-	-
	Add: Market Purchase				
	05-10-2018	30,000	0.12%	30,000	0.12%
	16-11-2018	13,216	0.06%	43,216	0.19%
	30-11-2018	10,086	0.04%	53,302	0.23%
	14-12-2018	90,607	0.40%	1,43,909	0.63%
	11-01-2019	4,14,896	1.83%	5,58,805	2.46%
	08-03-2019	2,310	0.01%	30,000	0.12%
	At the End of the year (or on the date of separation, if separated during the year)	5,61,115	2.47%	-	-

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.	**Baring Private Equity India AIF**				
	At the beginning of the year	1,07,747	0.47%	1,07,747	0.47%
	20-04-2018	9,100	0.04%	1,16,847	0.51%
	24-08-2018	15,056	0.07%	1,31,903	0.58%
	31-08-2018	2,039	0.00%	1,33,942	0.59%
	07-09-2018	23,000	0.10%	1,56,942	0.69%
	29-10-2018	30,087	0.13%	1,87,029	0.82%
	02-11-2018	11,730	0.05%	1,98,759	0.87%
	09-11-2018	7,000	0.03%	2,05,759	0.90%
	23-11-2018	683	0.00%	2,06,442	0.91%
	30-11-2018	2,256	0.01%	2,08,698	0.92%
	07-12-2018	5,271	0.02%	2,13,969	0.94%
	14-12-2018	81,150	0.36%	2,95,119	1.30%
	08-02-2019	3,310	0.01%	2,98,429	1.31%
	16-02-2019	4,288	0.02%	3,02,717	1.33%
	22-02-2019	2,100	0.01%	3,04,817	1.34%
	01-03-2019	6,150	0.02%	3,10,967	1.37%
	08-03-2019	2,994	0.01%	3,13,961	1.38%
	15-03-2019	149	0.00%	3,14,110	1.38%
	At the End of the year (or on the date of separation, if separated during the year)	31,4110	1.38%	3,14,110	1.38%
7.	**DB International (Asia) Ltd**				
	At the beginning of the year	1,21,369	0.53%	1,21,369	0.53%
	At the End of the year (or on the date of separation, if separated during the year)	1,21,369	0.53%	1,21,369	0.53%
8.	**Hornbill Orchid India Fund**				
	At the beginning of the year	1,49,500	0.66%	1,49,500	0.66%
	Add: Market Purchase				
	17-08-2018	30,000	0.13%	1,79,500	0.79%
	Less: Market Sale				
	15-03-2019	68,046	0.30%	1,11,454	0.49%
	At the End of the year (or on the date of separation, if separated during the year)	1,11,454	0.49%	1,11,454	0.49%
9	**Tarra Fund**				
	At the beginning of the year	-	-	-	-
	Add: Market Purchase				
	14-09-2018	12,000	0.05%	12,000	0.05%
	21-09-2018	8,710	0.04%	20,710	0.09%
	29-09-2018	5,290	0.02%	26,000	0.11%
	05-10-2018	5,000	0.02%	31,000	0.14%
	30-11-2018	20,000	0.09%	51,000	0.22%
	11-01-2019	50,000	0.22%	1,01,000	0.44%
	At the End of the year (or on the date of separation, if separated during the year)	1,01,000	0.44%	1,01,000	0.44%
10.	**ICICI Prudential Smallcap Fund**				
	At the beginning of the year	-	-	-	-
	Add: Market Purchase				
	24-08-2018	43,195	0.19%	43,195	0.19%
	31-08-2018	5,713	0.02%	48,908	0.21%
	19-10-2018	1,883	0.01%	50,791	0.22%
	29-10-2018	2,659	0.01%	53,450	0.23%
	At the End of the year (or on the date of separation, if separated during the year)	53,450	0.23%	53,450	0.23%

(v) Shareholding of Directors and Key Managerial Personnel:

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
1	Mr. Murugavel J				
	At the beginning of the year	1,14,28,766*	50.32%	-	-
	At the end of the year	1,14,28,766	50.28%	1,14,28,766	50.28%
2	Mr. George Zacharias				
	At the beginning of the year	44,676	0.20%	-	-
	At the end of the Year	44,676	0.20%	44,676	0.20%
3	Mr. Deepa Murugavel				
	At the beginning of the year	4,007	0.02%	-	-
	At the End of the year (or on the date of separation, if separated during the year)	4,007	0.02%	4,007	0.02%
4	Mr. Milind S Sarwate				
	At the beginning of the year	5,324	0.02%	-	-
	At the End of the year (or on the date of separation, if separated during the year)	5,324	0.02%	5,324	0.02%
5	Mr. Sushanth S Pai				
	At the beginning of the year	-	-	-	-
	Acquired shares of the Company during the year	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-
6	Mr. S.Vijayanand				
	At the beginning of the year	1,440	-	-	-
	Acquired shares of the Company during the year	-	-	1,440	-
	At the End of the year (or on the date of separation, if separated during the year)	1,440	-	1,440	-

* Includes 12 shares held on behalf of shareholders holding fractional shares.

(V) INDEBTEDNESS

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

In Rs. lakhs

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

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/Manager	Total Amount
		Murugavel J	
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	1,37,30,700	1,37,30,700
	b) Value of perquisites u/s 17(2) of the Income Tax Act 1961	39,600	39,600
	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 (Performance Incentive and Provident Fund)	58,71,228	58,71,228
	TOTAL (A)	**1,96,41,528**	**1,96,41,528**
	Ceiling as per the Act	**2,72,11,000**	**2,72,11,000**

B. Remuneration to other Directors

S.No	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Milind S Sarwate	George Zacharias	C K Ranganathan	Akila Krishnakumar	
	- Fees for attending Board/Committee meetings - Commission - Others, please specify	21,00,000	18,00,000	8,00,000	5,00,000	52,00,000
2	Other Non-Executive Directors	Deepa Murugavel	-	-	-	-
	- Fee for attending Board/Committee meetings - Commission - Others, please specify	4,00,000				4,00,000
	Total (B)=(1+2)					**56,00,000**
	Overall Ceiling as per the Act	Not applicable				

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

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	-	17,25,636	85,78,042	1,03,03,678
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify.	-	-	-	-
5.	Others, please specify (Variable performance pay & Special Incentive)	-	96,385	9,00,364	9,96,749
	TOTAL	**-**	**18,22,021**	**94,78,406**	**1,13,00,427**

* The remuneration includes amount paid to Mr. K Balasubramanian from 01/04/2018 to 14/12/2018 and to Mr. Sushanth S Pai from 15/12/2018 to 31/03/2019.

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)
A. Company- NIL					
Penalty					
Punishment					
Compounding					
B. Directors- NIL					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default- NIL					
Penalty					
Punishment					
Compounding					

ANNEXURE G

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V(C) of SEBI (LODR) Regulations, 2015)

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Matrimony.com is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, Matrimony.com Limited believe that the sound governance policies and practices are necessary for establishing a proper environment for the achievement of our key objectives. Our corporate governance practice includes honesty, trust, integrity and openness in all our dealings with customers, business partners and our own associates. The Code of Conduct is communicated and enforced by our management to ensure a safe, ethical and wholesome environment. Our policies and practices are based on values like fairness, transparency and simplicity.

The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31st March 2019.

1. BOARD OF DIRECTORS

The Directors of the Company possess highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the Stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgment on behalf of the Company.

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, which ensures proper governance and management. The Chairman of the Board is a Promoter & Managing Director. As at 31st March 2019, the composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the Stock Exchanges. As required by the Code of Corporate Governance, not less than 50% of the Board of Directors consists of Independent Directors. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company. The composition of the independent directors is in conformity with the Statutory requirements. The directorships held by the directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015 as amended from time to time ("SEBI LODR"), none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. The Board of Directors confirm that the Independent Directors fulfil the conditions specified in this regulations and are independent of management.

As mandated under Regulation 26(1) of the SEBI (LODR) Regulations, 2015, none of the Directors is a member in more than ten Committees nor any of them is a Chairperson of more than five committees across all listed entities in which they are directors.

The Company is managed by the Chairman & Managing Director (CMD) assisted by the Management Team during the year ended 31st March 2019,.

The Board reviews and approves strategy and oversees the performance to ensure that the long term objective of enhancing Stakeholders' value is achieved.

a) Composition of the Board as on 31st March 2019

Sl. No.	Name of the Director	DIN	Category
1.	Shri Murugavel J	00605009	Promoter Chairman / Managing Director
2.	Smt Deepa Murugavel	00725522	Non Executive Woman Director
3.	Shri George Zacharias	00162570	Non Executive Independent Director
4.	Shri Milind Shirpad Sarwate	00109854	Non Executive Independent Director
5.	Shri Chinni Krishnan Ranganathan	00550501	Non Executive Non Independent Director
6.	Smt Akila Krishnakumar	06629992	Additional Director & Independent Director

Note:

1. Mrs. Akila Krishankumar was appointed as Additional Director with effect from August 10, 2018.

b) The Number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31st March 2019 are given below:

Name of the Director	Number of Directorships in public Companies*	Committee Position**	
		Chairperson	Member
Shri Murugavel J	2	-	1
Smt Deepa Murugavel	1	1	1
Shri George Zacharias	1	-	1
Shri Milind Shirpad Sarwate	9	5	9
Shri Chinni Krishnan Ranganathan	2	-	3
Smt Akila Krishnakumar	3	1	2

* Public Limited Companies, including Matrimony.com Limited and excludes directorships held on the boards of private companies which is not a subsidiary of Public Company, Section 8 companies and companies incorporated outside India.

** Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, including Matrimony.com Limited. Committee membership(s) and Chairmanship(s) are counted separately.

Listed entities in which the directors hold position as director other than the Company and category of directorship as on 31st March 2019:

Name of the Director	Name of the company	Category of directorship
Shri Milind Shripad Sarwate	International Paper APPM Limited Glenmark Pharmaceuticals Limited Mindtree Limited	Director Director Director
Shri George Zacharias	NIL	
Shri Chinni Krishnan Ranganathan	E.I.D Parry (India) Ltd	Director
Shri Murugavel Janakiraman	NIL	
Smt Deepa Murugavel	NIL	
Smt Akila Krishnakumar	IndusInd Bank Ltd Heidelbergcement India Ltd	Additional Director Additional Director

c) Meetings and Attendance

The Board met seven times during the year on, 04th April 2018, May 3, 2018, 10th August 2018, 31st October 2018, 26th November 2018, 12th February 2019 and 22nd February 2019. Details of attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) of the Company are as follows

Name of the Director	Attendance	
	Board Meetings	Last AGM
Shri Murugavel J	7	Yes
Smt Deepa Murugavel	2	Yes
Shri George Zacharias	7	Yes
Shri Milind Shirpad Sarwate	7	Yes
Shri Chinni Krishnan Ranganathan	4	No
Smt Akila Krishnakumar	4*	NA*

* Mrs. Akila Krishankumar was appointed as Additional Director with effect from August 10, 2018.

d) The details of the shares held by the Directors of the Company as at 31st March 2019 including the non-executive Directors are as follows:

Name of the Director	No. of Shares Held	Percentage to Capital
Shri Murugavel J	1,14,28,766*	50.32
Smt Deepa Murugavel	4,007	0.02
Shri George Zacharias	44,676	0.20
Shri Milind Shirpad Sarwate	5,324	0.02
Shri Chinni Krishnan Ranganathan	-	-
Smt Akila Krishnakumar	-	-
Total	**1,14,82,773**	**50.56**

* Included 12 shares held on behalf of Shareholders holding fractional shares on consolidation of shares from Rs.3 to Rs.5/- on 5th August 2015.

e) Details of familiarisation programme for Independent Directors:

The details of the familiarisation programme for Independent Directors are available at the Company's website, at the following link at https://www.matrimony.com.com/investors/policies/policy-on-familiarisation-of-id-21-06-19-new.pdf.

f) A chart or a matrix setting out the skills/expertise/competence of the board of directors is given below

(i) Governance Skills

Skill Area	Description	Assessment of Board
Strategy	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities.	Available with the Board of Directors
Finance	Qualifications and experience in accounting and/or finance and the ability to: • analyse key financial statements; • oversee financial reporting process • critically assess financial viability and performance; • contribute to strategic financial planning; • oversee budgets and the efficient use of resources; • oversee funding arrangements and accountability. • evaluation of internal financial controls and risk management systems	Available with the Board of Directors
Risk	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems	Available with the Board of Directors
IT	Knowledge and experience in the strategic use and governance of information management and information technology within the organisation.	Available with the Board of Directors
Human Resource Management	Experience at an executive level including the ability to: • appoint and evaluate the performance of the CXO and senior management; • oversee strategic human resource management including workforce planning, • employee and industrial relations; and • oversee large scale organisational change.	Available with the Board of Directors

(ii) Industry Skills (Internet & Technology)

Skill Area	Description	Assessment of Board
Technology Innovation	Understanding the current drivers of innovation in the internet technologies and specifically in the Artificial Intelligence, Data analytics etc	50% of the Board has direct and long term experience in the Technology industry
Consumer Behaviour	Understanding the trends in consumer behavior	Available with the Board of Directors
Industry connect	Network with with relevant industry organisations and consumer or business groups including regulators, and the ability to effectively engage and communicate with those stakeholders	All Board members have extensive experience in transferrable skill areas such as networking with industry leaders
Marketing	Knowledge of and experience in online & offline marketing strategies	Need further enhancement on Marketing strategy skills

2. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee with all its Members being Non-Executive & Independent Directors, to oversee the accounting and financial governance of the Company. The Chairperson of the Committee is an Independent Director.

a) Composition

The Audit Committee of the Board comprises of the following Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri Milind Shirpad Sarwate - Chairman	4
2.	Shri George Zacharias	4
3.	Shri Chinni Krishnan Ranganathan	-

During the year the Committee met four times, viz., 03rd May 2018, 10th August 2018, 31st October 2018 and 12th February 2019.

The Senior Management team of the Company comprising of the Managing Director and the Chief Financial Officer, the Statutory Auditor and the Internal Auditor are invited to attend the Meetings of the Committee, as invitees. The Company Secretary is the Secretary to the Committee.

All the member of the Audit Committee are Independent Directors. Hence the composition complies with stipulation in Regulation 18(1) (b) of SEBI (LODR) Regulations, 2015.

b) Brief description of terms of reference

The terms of reference of the Committee, which are in line with the requirements of the Part C of Schedule II of SEBI (LODR) Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013, include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the adequacy of internal audit function;
- Reviewing the functioning of the Whistle Blower mechanism;

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

c) The Committee has not been reconstituted during the year.

3. NOMINATION AND REMUNERATION COMMITTEE

a) Composition

The Nomination and Remuneration Committee discharges the functions as envisaged by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee of the Board comprises of the following Non-Executive Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri Milind Shirpad Sarwate - Chairman	5
2.	Shri George Zacharias	5
3.	Shri Chinni Krishnan Ranganathan	1

During the year the Committee met five times, viz., 03rd May 2018, 10th August 2018, 31st October 2018, 12th February 2019 and 25th March 2019.

The Committee has not been reconstituted during the year.

b) Brief description of terms of reference

The terms of reference include the following:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
2. To carry out evaluation of every director's performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
4. To formulate the criteria for evaluation of Independent Directors and the Board.
5. To devise a policy on Board diversity.
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:
    - the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
    - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
    - the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
    - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;

- the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period;
- the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
- the granting, vesting and exercising of options in case of employees who are on long leave; and
- the procedure for cashless exercise of options.

8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

c) Nomination and Remuneration Policy

The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company. The said Policy is available in the Company's website at the following link at https://www.matrimony.com/investors/policies/Remuneration-Policy.pdf.

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

4. REMUNERATION TO THE DIRECTORS

The details of remuneration paid to Directors are given below,

(i) Remuneration to Non-Executive Directors during the Financial Year 2018-19

The Non-Executive Directors are eligible for the following sitting fees per meeting:

Particulars	(Rs.)
Board Meeting	1,00,000
Audit Committee Meeting	1,00,000
Meeting of Independent Directors	1,00,000

Details of Sitting Fees paid to Non-Executive Directors during the financial year 2018-19 are as follows:

Name of the Director	Board Meeting # (Rs.)	Committee Meeting (Rs.)	Total (Rs.)
Shri Milind Shirpad Sarwate	8,00,000	13,00,000	21,00,000
Shri George Zacharias	8,00,000	10,00,000	18,00,000
Shri Chinni Krishnan Ranganathan	5,00,000	3,00,000	8,00,000
Smt Deepa Murugavel*	2,00,000	2,00,000	4,00,000
Smt Akila Krishnakumar	5,00,000	-	5,00,000

Includes fee of Rs.1,00,000 for the meeting of Independent Directors.

(ii) Remuneration to Managing Director during the Financial Year 2018-19:

The remuneration of Shri Murugavel J, Managing Director is governed by the resolution passed by the Board of Directors and shareholders at the Annual General Meeting held on 3rd May 2018 & August 10, 2018 respectively for a period of three years with effect from 1st April 2018 with a basic salary of Rs. 1.5 Crore in the grade of 1.5 Crore to 2.5 Crore and a Variable performance Pay upto 100% of the basic salary on fulfulling the performance criteria laid down the Nomination committee and the Board of Directors apart from other benefits. During the year, the Nomination and Remuneration Committee has fixed a Basic salary of Rs. 1.5 Crore p.a., including allowances / perquisites and other applicable statutory contributions (both employer and employee). He is entitiled to receive a variable performance pay of Rs. 49.65 lakhs based on the performance evaluation prescribed by Nomination & Remuneration Committee. His total remuneration for the year amounted to Rs.1.96 crores.

(iii) Stock options to Non-Executive Director

During the year under review, the Board of Directors has not granted stock options to any Non-Executive Director.

(iv) Pecuniary relationship / transactions of Non-Executive Directors:

There are no pecuniary relationship/transactions with the Non-Executive Directors except payment of sitting fees and reimbursement of travel expenses for attending Board & Committee Meetings. Please refer Note No. 39 – Related Party Disclosures to the Standalone Financials.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company attaches highest importance to Investor Relations. The Committee discharge the functions as envisaged by the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 to focus on the prompt and effective redressal of the Shareholders' grievances and strengthening of Investor Relations.

a) Composition

The Stakeholders' Relationship Committee of the Board comprises of the following Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Smt Deepa Murugavel - Chairman	1
2.	Shri Murugavel J	1
3.	Shri Milind S Sarwate	1

During the year the Committee met once on 25th March 2019.

b) Brief description of terms of reference

The Committee's main focus is on the basic rights of the Shareholders including, Transfer of Shares, Transmission / Transposition of Shares, Issue of Duplicate/Split Certifcates, Sub Division/Consolidation of Shares, Consolidation of Folios, Dematerialization/Rematerialization of Shares, Change of address, non receipt of the Refund Orders, non receipt of the Share Certifcates and such other issues relating to investor relations.

c) Status of Shareholders' Grievances

The Stakeholders Relationship Committee and the Board reviews the status of Shareholders' Grievances received by the Company together with the status of their redressal at every meeting.

During the year, the Company has not received any complaints during the year. Hence there is no pending complaints as on 31st March 2019.

d) Name and designation of Compliance Officer

Shri Vijayanand S, Company Secretary is the Compliance Officer as per Regulation 6 of SEBI (LODR) Regulations, 2015.

e) The Committee has not been reconstituted during the year.

6. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

i) SHARE ALLOTMENT COMMITTEE

a) Composition:

The Board of Directors has constituted a Share Allotment Committee with the following Members:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri. Murugavel J - Chairman	2
2.	Shri Milind S Sarwate	2
3.	Shri C K Ranganathan	-

During the year the Committee met twice , viz., May 3, 2018 and 10th August 2018 for allotting shares to employees pursuant to exercise of Employee Stock Option Scheme.

b) Brief description of terms of reference

The scope of the Committee includes matters pertaining to the issue, offer, allotment and cancellation of securities including ESOP/Equity/ Preference shares/ instruments convertible into Equity Shares, whether optionally or otherwise. The Meetings of the Committee are held based on the requirements for the business to be transacted.

ii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a) Composition

The Board of Directors, had constituted Corporate Social Responsibility Committee with the following Members:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri Murugavel J - Chairman	1
2.	Shri C K Ranganathan	1
3.	Smt Deepa Murugavel	1

During the year, the Committee met once on 25th March 2019.

b) Brief description of terms of reference

The scope of the Committee includes the following

i) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

ii) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

iii) To monitor the CSR policy of the Company from time to time;

iv) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

iii) RISK AND GOVERNANCE COMMITTEE

a) Composition

The Board of Directors has constituted a Risk and Governance Committee with the following Members:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri George Zacharias - Chairman	1
2.	Shri Milind S Sarwate	1
3.	Shri C K Ranganathan	1

During the year the Committee met once on March 25, 2019.

b) Brief description of terms of reference

The scope of the Committee includes the following

- To review, and, as applicable, approve the Company's risk governance framework, risk assessment and risk management practices, and the guidelines, policies and processes for risk assessment and risk management;
- To review, and, as applicable, approve the Company's risk appetite and key risk policies on the establishment of risk limits, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- To ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning);
- To review the status of regulatory reviews relating to the Company;
- To review the independence, authority, and effectiveness of the risk management function, including staffing level and staff qualifications; and

7. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 25th March 2019 to review the performance of non - Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

8. GENERAL BODY MEETINGS

(i) The following are the details of Date, Location and Time of the General Meetings held during last three financial years:

Date	Meeting	Location	Time
10th August 2018	AGM	"Kasthuri Srinivasan Mini Hall", The Music Academy New No. 168(Old No.306), T.T.K. Road Chennai - 600 014.	9.30 A.M
27th April 2017	EGM	No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai -600028	11 AM
07th June 2017	AGM	No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai -600028	11 AM
10th August 2016	AGM	No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai -600028	12 PM

(ii) Details of Special Resolutions passed in the previous three Annual General Meetings:

Date of the AGM	Subject Matter of the Special Resolution
10th August 2016	Renewal of Contract with M/s Sys India Private Limited, Wholly Owned Subsidiary Company
10th August 2016	Approval for issue of additional equity shares on conversion of Compulsorily Convertible Preference Shares to the holders of preference shares as per the terms of Shareholders Agreement

(iii) Postal Ballot

No resolutions were passed during the year under review through Postal Ballot

(iv) As on the date of the report, no special Resolutions are proposed to be conducted through Postal Ballot.

(v) Procedure for postal ballot: NA

9. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are published in English in Financial Express (All Editions) and in Malai Sudar. The results were also displayed on the Company's website www.matrimony.com. Press Releases made by the Company and transcripts of the investor calls from time to time are also displayed on the Company's website.

10. GENERAL SHAREHOLDER INFORMATION

a) Details of the forthcoming Annual General Meeting

1.	Date	07th August 2019
2.	Day	Wednesday
3.	Time	10.00 A.M.
4.	Venue	Narada Gana Sabha, Mini Hall, New No.314, T.T.K. Road, Alwarpet, Chennai - 600 018.

b) Financial Calendar for 2019-20 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2019-20 are as under:

Financial Results for the Quarter ending 30th June 2019	Between 15th July & 14th August 2019
Financial Results for the Quarter ending 30th September 2019	Between 15th October & 14th November 2019
Financial Results for the Quarter ending 31st December 2019	Between 15th January & 14th February 2020
Financial Results for the year ending 31st March 2020	Between 1st May & 30th May 2020
Annual General Meeting of the Company, for the year ending 31st March 2020	July / August 2020

c) Dividend payment date

After August 7, 2019 (within the statutory time limit of 30 days) subject to shareholders' approval at the Annual General Meeting

d) Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges with the stock codes as indicated against each Stock Exchange:

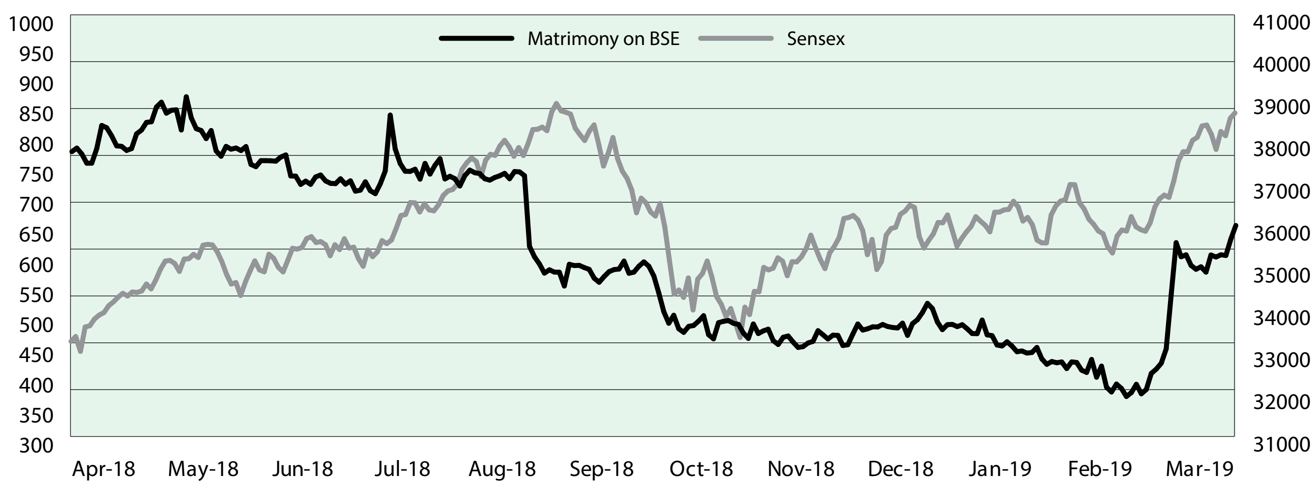
Name of the Stock Exchange	Address	Stock Code
BSE Limited	Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai – 400 001	540704
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	MATRIMONY

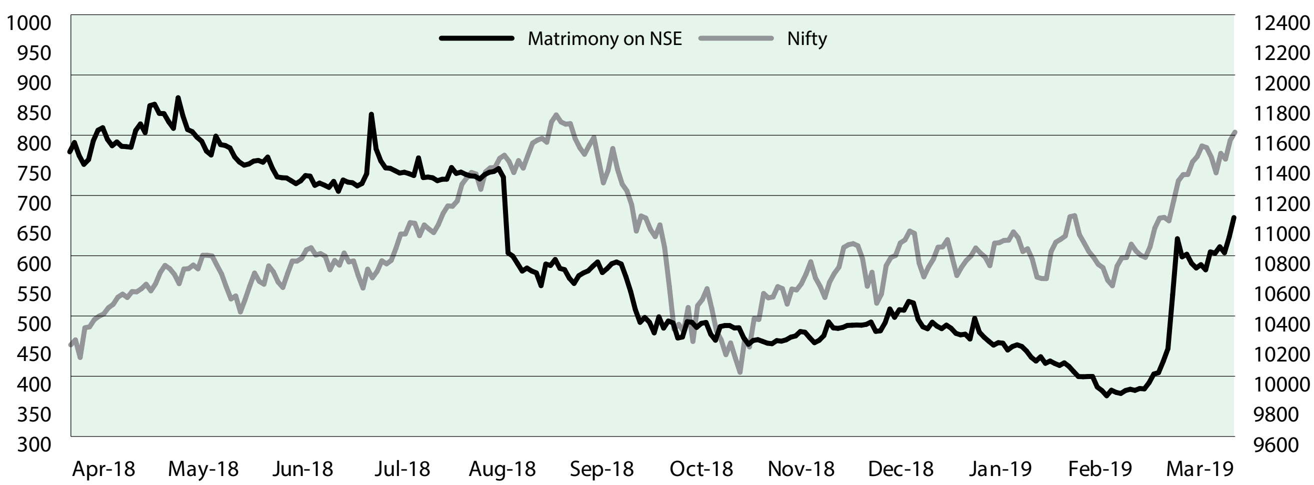
In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2018-19 have been paid to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

e) Details of the Share price movements in the National Stock Exchange of India Ltd. and BSE Ltd.

Month	BSE Share Price (Rs.)		NSE Share Price (Rs.)	
	High	Low	High	Low
Apr 18	875	703.05	870	750
May 18	920.1	740.35	920	745
Jun 18	787	700	780	705
Jul 18	877.25	708	875	707.85
Aug 18	783	540	758	548.05
Sep-18	614	470.2	620	464.8
Oct-18	516.3	436	544	445.05
Nov-18	520.35	440.05	521.35	444.1
Dec-18	528.40	451	535	460.35
Jan-19	527.60	414.9	524	417.95
Feb-19	450	365.25	430	364
Mar-19	673	373.15	670	379

f) Relative Performance of Matrimony.com Limited's (Matrimony) Share Price in comparison with BSE sensex and NSE Nifty





g) Registrar and Share Transfer Agent

M/s. Karvy Fintech Pvt Limited, Hyderabad is the Registrar and Share Transfer Agent (RTA) for handling the physical and electronic registry work. The Shareholders are requested to address their share related requests / queries to the RTA at the following address:

M/s. Karvy Fintech Pvt Limited
Unit: Matrimony.com Limited
Karvy Selenium Tower B Plot No 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500032
Telangana

h) Share Transfer System

The requests for physical Share Transfers, Transmissions, Transposition etc., are received by the Company or by the Registrar and Share Transfer Agent. In respect of shares, which are traded in the dematerialised form, the transfers are processed and approved in electronic form by NSDL/CDSL through their Depository Participants.

The physical Share Transfers, Transmissions, Transposition, etc., are processed based on number of requests received and keeping in view the prescribed timeline. The shares lodged for physical Transfer/Transmission/ Transposition are registered as per the requirement of the SEBI (LODR) Regulations, 2015, if the documents are complete in all respects. Adequate care is taken to ensure that no share transfers are pending for more than the period stipulated in the SEBI (LODR) Regulations, 2015. Shares requested for dematerialisation are generally confirmed within 21 days.

To ensure swift processing of the Share Transfers, Transmissions, Transposition etc., the Board of Directors have delegated necessary powers to the Stakeholders' Relationship Committee.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

i) Shareholding Pattern and the Distribution of Shareholding as at 31st March 2019:

Category of Shareholder	Number of Shareholders	Total Shares	Of this, Shares in demat form	Percentage of holding to total shares
(A) Promoters and Promoter Group				
Individuals / Hindu Undivided Family	3	1,14,32,774	1,14,32,774	50.30
Bodies Corporate	-	-	-	
Trusts				
Promoter shareholding (A)	3	1,14,32,774	1,14,32,774	50.30
(B) Non-Promoters Institutional Investors				
Mutual Funds / UTI	1	53,450	53,450	0.24
Financial Institutions / Banks	2	912	912	0.00
Insurance Companies	-	-	-	
Alternative Investment Funds	2	8,75,225	8,75,225	3.85
Foreign Institutional Investors	-	-	-	
Foreign Portfolio Investor (Corporate)	10	35,62,223	35,62,223	15.67
Foreign Venture Capital Investors	1	23,78,488	23,78,488	10.46
Foreign Companies	1	33,66,415	33,66,415	14.81
Sub Total	**17**	**1,02,36,713**	**1,02,36,713**	**45.03**
General Public	8,568	7,52,893	7,08,215	3.12
NBFC	-	-	-	
Bodies Corporate	159	1,45,462	1,45,462	0.64
Others including HUF, NRIs, Foreign Nationals, Clearing Members etc	595	1,61,514	1,59,714	0.70
Sub Total	**9,322**	**1,0,59,869**	**1,0,13,391**	**4.46**
Non-Promoters shareholding (B)	9,339	1,12,96,582	1,12,50,104	49.70
Total Shareholding (A)+(B)	**9,342**	**2,27,29,356**	**2,26,82,878**	**100**

j) The Distribution of Shareholding of the Company as at 31st March 2019 is as follows:

No of Equity shares held	No of shareholders	% of total	No of Shares	% of total
1-5000	9,302	99.57	6,13,668	2.71
5001-30000	20	0.22	2,09,757	0.92
30001-40000	3	0.03	1,07,595	0.47
40001-50000	5	0.06	2,29,792	1.01
50001-100000	2	0.02	1,06,759	0.47
100001-1000000	6	0.06	21,64,616	9.52
1000001 and above	4	0.04	1,92,97,169	84.90
Total	9,342	100	2,27,29,356	100.

k) Dematerialization of Shares and Liquidity

The equity shares of the Company are admitted in the following Depositories of the country under the International Securities Identification Number (ISIN) INE866R01028. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company. The Company has entered into Agreements with both NSDL and CDSL to facilitate the shareholders to dematerialize their equity shares with any one of the Depositories.

Name of the Depository	Address
National Securities Depository Limited	Trade World, A wing, 4th & 5th Floors, Kamala Mills, Compound, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

The annual custodial / issuer charges to the respective Depository for the financial year 2018-19 have been paid as on date.

As at 31st March 2019, 22682878 equity shares representing 99.80% of the Company's total number of shares, have been dematerialized.

In view of the benefits embedded in holding of the securities in demat form, the shareholders holding the shares in physical forms are requested to demat their shares at the earliest.

l) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

The Company has no outstanding ADR/GDR/Warrants or any convertible instruments as on 31st March 2019.

m) Address & E-mail id for investors Correspondence, queries and grievances:

Shri Vijayanand S, Company Secretary and Compliance Officer
No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai – 600028
Phone: +91 44 24631500 Fax : +91 44 24631777
e-mail:investors@matrimony.com

(or)

M/s. Karvy Fintech Pvt Limited
Unit: Matrimony.com Limited
Karvy Selenium Tower B Plot No 31 & 32, Financial District, Nanakramguda, Gachibowli,
Hyderabad – 500032
Telangana
Ph: 040-26711585

n) The details relating to commodity price risks and commodity hedging activities are not applicable to the Company.

o) The details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) is not applicable as the Company did not raise any funds through the above route during the year.

p) The Company has obtained a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

q) The Company has not obtained any credit rating during the year

r) Other Information to Shareholders

(i) Reconciliation of Share Capital Audit

As required by Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 a 'Reconciliation of Share Capital Audit' is done every Quarter by a Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL and the total issued and paid up capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(ii) Compliance Certificate

Compliance Certificate dated May 9, 2019 from our Statutory Auditors, M/s. SR Batliboi Associates LLP is given in Annexure – II.

11. OTHER DISCLOSURES

a) There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.

b) There are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

c) The Company has a Vigil Mechanism and Whistle Blower Policy, available at the Company's website and its weblink is https://www.matrimony.com/investors/policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf. It is further affirmed that no personnel has been denied access to the Audit Committee.

d) (i) The Company has complied with the Mandatory requirements under SEBI (LODR) Regulations, 2015.

ii) Adoption of non-mandatory requirements of the listing regulation is being reviewed by the Board of Directors from time to time. The Company has been a strong believer of in good Corporate Governance and has been adopting the best practices. During the year under review, there is no audit qualification in your Company's standalone and consolidated financial statements. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

e) The Material Subsidiary Policy is disclosed in the Company's website and its web link is https:// www.matrimony.com/ investors/policies/Material-Subsidiary-Policy.pdf.

f) The Company has both Indian and overseas subsidiaries, which are not listed. Based on the said policy, none of the said subsidiaries qualify as a material subsidiary. The management of the unlisted subsidiaries periodically bring to the notice of the Board, a statement on significant transactions and arrangements if any, entered into by them. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.

g) The Company enters into contract with wholly owned subsidiaries for a minimum period of three years. The Company generally do not enter into any contract with any other related parties other than the wholly owned subsidiaries. The requirement of obtaining prior or omnibus approval of Audit committee and shareholders' approval does not arise since the transactions are with wholly owned Subsidiaries. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is: https://www.matrimony.com/investors/policies/Related-Party-Transaction-Policy.pdf.

h) Total fees for all services paid by the listed entity to the statutory auditor is given below. There are no other fees paid by any other subsidiary or any other network entities

Particulars	Amount (Rs. Lakhs)
Audit fee	26.00
Limited review	9.00
Tax audit fee	1.00
Others (Statutory Certification fees)	1.00
Total	37.00

i) Following are the disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

i. number of complaints filed during the financial year : 7

ii. number of complaints disposed of during the financial year : 7

iii. number of complaints pending as on end of the financial year:NIL

j) The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.

k) The Board of Directors periodically review Compliance Reports pertaining to all laws applicable to the Company. No non-compliance was reported during the year under review.

l) The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

m) A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013.

n) Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.

o) The Company currently pays only sitting fees to non-executive Directors within the limits specified under Companies Act, 2013 which do not require shareholders' approval. However, the Company is seeking shareholders' approval in the ensuing Annual General meeting for payment of commission.

p) The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

q) The Company follows well defined and detailed risk management framework. The management also ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

r) Performance Evaluation of Directors and Criteria for Independent Directors:

During the year under review, Nomination and Remuneration Committee (NRC) formulated criteria for evaluation of performance of Independent Directors and the Board of Directors in alignment with the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India vide its circular dated 5th January 2017. The NRC carries out a separate exercise to evaluate the performance of individual Directors. Further, in accordance with Schedule IV to the Companies Act. 2013 and the Listing Regulations, performance evaluation of Independent Directors was done by the entire Board excluding the Director being evaluated. The manner in which the annual performance evaluation is done by the Board including the criteria for the same is discussed in detail in the Directors report.

s) The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.

t) As required under Regulation 46(2) of SEBI (LODR) Regulations, 2015 the following information have been duly disseminated in the Company's website and its weblink is https:// www.matrimony.com/ investors/policies.php

* Terms and conditions of appointment of Independent Directors
* Composition of various committees of Board of Directors
* Code of Conduct of Board of Directors and Senior Management Personnel
* Details of establishment of Vigil Mechanism/Whistle Blower Policy
* Policy on dealing with Related Party Transactions
* Policy for determining 'Material' Subsidiaries
* Policy on Corporate Social Responsibility
* Details of Familiarization Programmes imparted to Independent Directors

u) The various disclosures made in the Board's Report, may be considered as disclosures made under this report.

12. CEO / CFO CERTIFICATION

The Chairman & Managing Director of the Company Shri Murugavel J, Managing Director along with Chief Financial Officer of the Company Shri Sushanth S Pai, have certified compliance with the stipulations of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 in relation to the Annual Financial Statements for the year 2018-19.

13. CODE OF CONDUCT

Declaration signed by the Chairman & Managing Director of the Company under Regulation 17(5) read with Schedule V (D) of SEBI (LODR) Regulations, 2015 is given in Annexure – I.

14. INFORMATION REGARDING UNCLAIMED SHARES

The Company has no unclaimed shares that are required to be transferred to Unclaimed Suspense Account. Accordingly, Regulation 39(4) read with Schedule VI of the SEBI (LODR) Regulations, 2015 is not applicable to the Company.

Annexure – I

Declaration from the Chairman & Managing Director under Regulation 17(5) read with Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As provided under Regulation 17(5) read with Schedule V(D) of SEBI (LODR) Regulations, 2015 the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2019.

For MATRIMONY.COM LIMITED

Place: Chennai
Date : 9th May 2019

MURUGAVEL J
CHAIRMAN & MANAGING DIRECTOR

Annexure – II

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the Members of
Matrimony.com Limited,
No.94, TVH Beliciaa Towers, 10th Floor,
Tower - II, MRC Nagar, Mandaveli,
Chennai - 600028

1. The Corporate Governance Report prepared by Matrimony.com Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Directors Register as on March 31, 2019 and verified that at least one women director was on the Board during the year;
   iv. Obtained and read the minutes of the following committee meetings held from April 1, 2018 to March 31, 2019:

(a) Board of Directors meeting;
(b) Audit committee;
(c) Annual General meeting;
(d) Nomination and Remuneration committee;
(e) Stakeholders Relationship Committee;
(f) Independent Directors meeting;
(g) Risk & Governance committee;
(h) Corporate Social Responsibility committee; and
(i) Share Allotment committee.

v. Obtained necessary declarations from directors of the Company;

vi. Obtained and read the policy adopted by the Company for related party transactions;

vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee; and

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per **Aravind K**
Partner
Membership No. : 221268

Place: Chennai
Date: May 9, 2019
UDIN : 19221268AAAAAI1429

MANAGEMENT DISCUSSION & ANALYSIS

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward-looking statements within the meaning of applicable securities, laws and regulations. This involves risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. The company does not undertake to update any such forward-looking statements unless it is required by law. The discussion and analysis should be read in conjunction with the company's financial statements included in the Annual report and the notes thereto. This discussion is based on the consolidated financial results of the company.

Industry Overview

Digital

India is one of the biggest and fastest-growing digital markets in the world today. With 1.2 billion mobile subscriptions and 560 million internet subscriptions as of September 2018, India is home to the second-largest mobile consumer base and second-largest internet subscriber base in the world.

India, surpassing China, USA and Japan, is the largest consumer of data globally, consuming over 2,360 Petabytes of data via mobile telephony every year. In 2017, over 12 billion apps were downloaded.

India's pace of digital adoption accelerated rapidly between 2013 and 2018. More than 207 million Indians went online in this period, and smartphone penetration more than quadrupled, from 5.5 per 100 people in 2013 to 26.2 in December 2018. Monthly mobile data consumption per user has grown by more than 54 times since mid-2016, and is now significantly higher than China.

India is expected to roll out 5G by 2020, in tune with the world. 5G will be supporting a host of applications and use cases in India, and is poised to play a huge role in the economy. In 2022, 5 new mobile connections per second are estimated to join the power of internet. Nearly 50% of the households are likely to be connected through fixed broadband. By 2025, India can have more than 900 million internet users.

(Source: Ministry of electronics and information technology; EY- Propelling India to a trillion-dollar digital economy)

Matchmaking and Marriage Services

India's annual spending on marriage-related services stands at $57 Bn. As the disposable income rises, it is expected that wedding spend will also increase in time to come. GDP per capita is expected to reach US$ 3000 by 2022 as per report published in www.statista.com.

It is estimated in 2016 that there were around 350 million individuals in India within the marriageable age bracket, being 18 to 35 years for female and 21 to 35 years for male, of whom approximately 100 million were unmarried. The unmarried population in India falls within the ages of 18 to 24 years, being the age group in which the majority of the Indian population gets married. In addition, approximately 60.00% of the 100 million unmarried individuals are located in rural areas. India's demography benefits from a large young population. It is estimated that approximately 65% of the unmarried Indian population is less than 35 years. It is expected that this young base will get married over the next two decades, resulting in an average of 11 to 13 million weddings each year until 2021.

The Indian wedding market is growing at 25 to 30 per cent annually, half of India's population being under 29 years of age, the marriage market is set to boom like never before over the next five to ten years. The revenues from international inbound customers (i.e. NRIs) is likely to expand by 2.5 times by 2022.

The online matchmaking industry is still at a nascent stage and accounts for approximately 6.00% of marriages in India. The online matchmaking industry in India is also a very fragmented market with thousands of wedding portals, only a handful of players of which have some scale.

Source - KPMG, Franchise India report, KPMG - Opportunities-Indian-brands-global-markets

Strengths and Opportunities

Long standing history creating leadership position and strong consumer brand: Launched in 2001, Matrimony.com is the market leader for Matchmaking Services. We deliver matchmaking services to our users in India and the Indian diaspora through our websites, mobile sites and mobile apps complemented by our on-the ground network in India. As at 31 March 2019, we have active profiles of 3.72 Million. We differentiate ourselves by following a micro-market strategy whereby we offer a range of targeted and customized products and services that are tailored to meet the requirements of customers based on their linguistic, religious, caste and community preferences as well as personalized matchmaking services through EliteMatrimony and our Assisted Service package. We cater to the needs of various communities through CommunityMatrimony, a consortium of various matrimony portals comprising more than 300+ community matrimony sites. Our brand, BharatMatrimony.com, has been ranked as India's most trusted online matrimony brand by The Brand Trust Report India Study 2014 (a study covering 20,000 brands across 16 cities).

Diversification to Marriage Services: We believe that our diversification to emerging adjacencies to matchmaking segment, through marriage services initiatives (Photography, Bazaar and Mandaps), provides us a huge opportunity. This market is estimated to be around Rs. 3,500 billion and they are largely unorganized and fragmented. This will also benefit from having a common customer base that has been acquired over the years through our online matchmaking business.

Leveraging technology and customer centricity: We are leveraging emerging technologies to drive acquisition of profiles thereby helping in value creation and monetization. We continue to invest in our mobile platform given the demographics and mobile penetration. We also launched a major campaign with the iconic cricketer Mr MS Dhoni as our brand ambassador for Bharat Matrimony. The campaign has a theme called "Find your Equal". We believe and understand that marriages are happier and successful when there is equality in the relationship. We constantly strive to offer services that are relevant to customers' aspiration. Based on this we have also tweaked our product specifications that reflect the woman's right to equality in a relationship. We are also working on various initiatives to improve our overall product experience. One such initiative which we have rolled out is "secure connect" to enhance privacy for our women profiles.

Market Opportunity: All the market opportunities detailed in our earlier "Industry section" provides us with huge potential to scale further heights. We are well geared to address this potential by strengthening our position in South and East markets with further impetus to Tier 2 and Tier 3 cities which are fast growing, increase traction with NRI markets by having country specific profile targets and marketing initiatives. In FY19, we expanded our foot print to Middle East by having a presence in Dubai.

Threats, Risks and Concerns

Key threats, risks and concerns are detailed as part of the Risk Management Report.

Financial Performance

The following table gives an overview of the consolidated financial results of the Company:

Particulars	FY2018-19 Rs. Lakhs	% to total income	FY2017-18 Rs. Lakhs	% to total income	Growth %
Revenue from Operations	34,842.75	99.5%	33,544.49	99.9%	3.9%
Other income	165.36	0.5%	6.93	0.1%	2,285.1%
Total income	**35,008.11**	**100%**	**33,551.42**	**100%**	**4.3%**
Expenses					
Employee benefit expenses	14,148.06	40.4%	13,288.98	39.6%	6.5%
Advertising and business promotion expenses	8,103.83	23.1%	5,603.20	16.7%	44.6%
Other expenses	7,084.10	20.2%	6,892.92	20.5%	2.8%
Total expenses	29,335.99	83.8%	25,785.10	76.9%	13.8%
Earnings before interest, tax, depreciation and amortization (EBITDA)	**5,672.12**	**16.2%**	**7,766.32**	**23.1%**	**(27.0%)**
Depreciation & amortization	1,108.24	3.2%	957.45	2.9%	15.7%
Finance cost	9.48	0.03%	153.20	0.5%	(93.8%)
Finance Income	(1,393.32)	(4.0)%	(637.66)	(1.9)%	118.5%
Profit before exceptional items and Tax	**5,947.72**	**17.0%**	**7,293.33**	**21.7%**	**(18.4%)**
Exceptional items	-	-	(1,281.92)	(3.8)%	
Profit Before Tax	**5,947.72**	**17.0%**	**8,575.25**	**25.6%**	**(30.6%)**
Tax Expense	1,635.79	4.7%	1,188.99	3.5%	37.6%
Profit After Tax (PAT)	**4,311.93**	**12.3%**	**7,386.26**	**22.0%**	**(41.6%)**

Revenue: Overall revenue grew by 3.9% for the year. The revenue distribution is through two segments such as Matchmaking and marriage services. The segment wise performance is given in table later in the discussion. Matchmaking comprises 96% of revenues. The key drivers for this business are number of paid profiles and Average Transaction Value (ATV). The number of paid profiles are at 7,30,632 for the year ended 31st March 2019, a decrease of 2.0% over the previous year. ATV is at Rs. 4,682, an increase of 7.4% over the previous year.

Other income: Other income has increased mainly due to Government grants received under Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Scheme for incentivising employers for generation of new employment.

Expenses:

Employee benefit expenses: Employee benefit expenses have increased mainly due to salary increments effected during the year. These costs as a % to revenue have remained stable.

Advertising and Promotion expenses: We increased our marketing initiatives significantly during the year by Rs. 2,500 lakhs, for both online and offline segments. These are on-going investments to fuel future growth.

Other expenses: Other expenses have increased by Rs. 191 lakhs during the year. This was mainly due to increase in infrastructure & other administrative expenses by Rs. 197 lakhs and legal & professional fees by Rs. 258 lakhs. This was also offset by reduction in photography related expenses of Rs. 236 lakhs and IT expenses by Rs. 28 lakhs. Overall, as a % of revenue it has remained stable at 20.3%.

Finance income: The increase is mainly because of additional investments of surplus funds in fixed deposits and mutual funds

Finance cost: Finance cost has decreased due to insignificant utilization of overdraft facilities during the year.

Effective Tax Rate (ETR): The effective tax rate is at 27.5% as compared to 13.9% in FY18 (lower tax due to carry forward of losses).

Profitability: Our EBITDA margins in FY19 are at 16.2% as compared to 23.1% in FY18. The decline is mainly due to increased marketing expenses as mentioned above. Excluding marketing expenses, our EBITDA margins are stable. Our PAT margins in FY19 are at 12.3% as compared to 22.0% in FY18.

Segment performance

The following tables gives an overview of the segment performance of the Company:

Revenue	FY 2018-19 (Rs. lakhs)	FY 2017-18 (Rs. lakhs)
Matchmaking Services	33,577.8	31,907.9
Marriage Services	1,265.0	1,636.6

EBITDA	FY 2018-19 (Rs. lakhs)	FY 2017-18 (Rs. lakhs)
Matchmaking Services	8,342.5	10,437.7
Marriage Services	(1,420.8)	(1,678.4)

Key ratios

	FY 2019	FY 2018
EBITDA margin	16.2%	23.1%
Net profit margin	12.3%	22.0%
Return on Net worth*	20.8%	44.1%

* In FY18, the company had an exceptional income of Rs. 1,281.92 lakhs

Headcount

The total number of employees as at 31 March 2019 is at 4,410 as compared to 4,379 as at 31 March 2018

Strategy and Outlook

The key strategic initiatives in FY 2020 are:

- Capitalize on our dominance in South and East markets and further strengthen our position by driving monetisation with the aid of emerging technologies, marketing initiatives. Provide further impetus to Tier 2 and Tier 3 cities as they are fast growing segments
- Drive NRI segment/market with country specific profile targeting and marketing
- Continue to invest in differentiated product offerings
- Focus on Marriage Services Segment and increase traction

Given the above, we expect that we will achieve a stronger growth rate in FY20 as compared to FY19.

Risk Management Report

Risk management is essential to good corporate governance and can effectively help a company to achieve its objectives. Matrimony has a Risk Management Committee of the Board of Directors to identify/ monitor key risks of the Company and evaluate the management of such risks for effective mitigation. Review of the risks and related mitigation plans across the Company will form part of the agenda for the meetings of the Committee. The framework for risk management comprises risk identification, risk assessment, risk treatment and Monitoring. The company has classified the risks into Strategic, Operational, Financial and Compliance risks.

Listed below are our key risks, threats and concerns with its anticipated impact on the company and mitigation plans.

Nature of Risk	Risk Description	Risk Mitigation
Economic uncertainties	Business can be affected due to general political, economic situations in India and across the world	Our continuous focus on customer centric initiatives enable us to make the business model more relevant to customers. We are also in a segment where technology and demographics play a major role which we believe can address some of impediments based on the market potential
Competition landscape	Competition can significantly affect our pricing, business models and product features and including new players	As part of our strategy we are implementing many measures around profile growth, enhancing marketing and increasing value proposition to our customers. We strongly believe that price alone cannot be a differentiator in the long run. Therefore our investments towards product differentiation, technology will address these challenges
Compliance risks	Regulations keep changing and adherence to laws is a challenge to any company today	Periodic audits and tracking help us to keep track of new regulations and compliance. We are also in the process of strengthening this area through implementation of compliance related tools.
IT Related Risks	Network failure can impact revenue, customer data leakage can cause issues, absence of proper back up and disaster recovery plans can have operational impact, misuse of assets.	Periodic audits through internal audit mechanism helps us to detect and pro-actively put in measures in place. Access related control, authorized access, asset tracking, customer information encryptions and mechanisms for Denial of service attacks help us control these risks. We are further strengthening the areas by having independent studies in these areas as well as business continuity.

INDEPENDENT AUDITOR'S REPORT

To the Members of Matrimony.com Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Matrimony.com Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Accuracy and completeness of Matchmaking Revenue

Matchmaking services revenues of the Company for the year ended March 31, 2019 constitutes significant percentage of the total revenue and majority of such revenues are generated through online services. The Company has processes and controls, many of them automated, to ensure that transactions are processed and recorded appropriately.

Improper configuration of system or system generated reports could lead to material misstatement of revenues, accordingly in our audit we identified the above as a significant risk.

Therefore, we considered this risk to be a key audit matter in our audit of the financial statements for year ended March 31, 2019.</td><td>As an audit response to address this matter, we performed a walkthrough to gain an understanding of the revenue process (including the compliance with revenue recognition requirements of Ind AS 115) to develop an appropriate audit strategy and performed following procedures:
• Involved IT specialists to test relevant IT general controls, application controls and appropriateness of system generated reports;
• Tested relevant manual and IT dependent controls relating to revenue process in the including the controls relating to data migration between operational system and financial accounting system;
• Tested the completeness and accuracy of the data extracted from the aforesaid systems and performed recalculations to verify the appropriateness of revenue recognized (including cut off procedures);
• Tests of details for the sample revenue transactions;
• Assessed the reconciliation of unearned revenue and collections performed by the management and performed sample tests on the same;</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
	• Read the accounting policies for revenue recognition in the financial statements; • Read the disclosures made by the management in the financial statements; and • Performed analytical procedures over disaggregated data of revenue transactions during the audit period to identify any unusual trends / patterns warranting additional audit procedures.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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 purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 38 to the Standalone Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: May 9, 2019

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 Property, plant and equipment.

(b) Property, plant and equipment 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, the title deeds of immovable properties included in property, plant and equipment are held in the name of 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) (a) The Company has granted loans to one subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) In respect of the loan granted to the subsidiary the principal and interest is repayable after one year from the date of loan. Accordingly, there has been no default on the part of the subsidiary to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company. There are no loans to directors given 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 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, goods and services tax, customs duty, 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, goods and services tax, customs duty, 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.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, customs duty and cess which have not been deposited on account of any dispute.

(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 Sections 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.

(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 Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: May 9, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MATRIMONY.COM LIMTED

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 Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS 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 with reference to these Standalone Ind AS Financial Statements 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 with reference to these Standalone Ind AS Financial Statements 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 over financial reporting with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements, 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 over financial reporting with reference to these Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements 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 with reference to these Standalone Ind AS Financial Statements 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 With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements, 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 with reference to these Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements 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, adequate internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements were operating effectively as at March 31, 2019, 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 Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: May 9, 2019

Standalone Balance Sheet as at March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,255.97	6,245.14
Intangible assets	3	305.58	515.61
Intangible assets under development		4.74	2.37
Investment in subsidiaries	4	11.62	1.45
Financial assets			
(a) Security deposits	5	810.21	1,010.09
(b) Bank balances other than cash and cash equivalents	7	0.75	0.75
Deferred tax assets (net)	15	190.46	280.61
Income tax assets (net)		305.58	351.74
Other non-current assets	13	318.20	333.95
		9,203.11	**8,741.71**
Current assets			
Financial assets			
(a) Security deposits	5	280.03	155.04
(b) Cash and cash equivalents	6	315.49	1,303.60
(c) Bank balances other than cash and cash equivalents	7	6,217.37	8,112.45
(d) Investments	11	13,675.01	7,372.85
(e) Trade receivables	12	350.29	528.26
(f) Loan to subsidiaries	8	55.78	-
(g) Derivative instruments	9	54.22	-
(h) Other financial assets	10	366.82	251.95
Other current assets	14	579.76	430.66
		21,894.77	**18,154.81**
TOTAL ASSETS		**31,097.88**	**26,896.52**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,136.47	1,135.55
Other equity	17		
(a) Securities premium account		12,539.84	12,502.66
(b) Retained earnings		6,710.86	3,592.72
(c) Share based payment reserve		112.44	87.24
(d) Cash flow hedge reserve		35.27	-
TOTAL EQUITY	**A**	**20,534.88**	**17,318.17**
Non-current liabilities			
Other non-current liabilities	20	38.10	30.31
Provisions	21	-	39.64
		38.10	**69.95**
Current liabilities			
Financial liabilities			
(a) Borrowings	18	-	641.47
(b) Trade payables	19(a)		
(i) Total outstanding dues of micro enterprises and small enterprises;		2.95	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,083.36	1,706.21
(c) Other payables	19(b)	44.63	45.27
Other current liabilities	20	7,787.86	6,569.24
Provisions	21	606.10	468.41
Liabilities for current tax (net)		-	77.80
		10,524.90	**9,508.40**
TOTAL LIABILITIES	**B**	**10,563.00**	**9,578.35**
TOTAL EQUITY AND LIABILITIES	**(A+B)**	**31,097.88**	**26,896.52**

Summary of significant accounting policies 2.1

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

As per our report of even date.

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers	22	33,977.19	30,821.32
Other income	24	175.27	21.51
Total income		**34,152.46**	**30,842.83**
Expenses			
Employee benefits expense	25	14,093.58	13,274.81
Advertisement and business promotion expenses	28	8,122.39	5,592.33
Other expenses	29	7,063.65	6,644.33
Total expenses		**29,279.62**	**25,511.47**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)		**4,872.84**	**5,331.36**
Depreciation and amortisation expense	26	1,105.63	957.15
Finance costs	27	7.92	125.98
Finance income	23	1,395.45	641.41
Profit before exceptional items and tax		**5,154.74**	**4,889.64**
Exceptional items	30	-	(1,281.92)
Profit before tax		**5,154.74**	**6,171.56**
Tax expense	31		
- Current income tax		1,497.47	1,287.12
- Current tax relating to earlier years		6.81	-
- Deferred tax (net)		60.27	(98.39)
Total tax expense		**1,564.55**	**1,188.73**
Profit for the year (I)		**3,590.19**	**4,982.83**
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain / (loss) on defined benefit obligations	32	(95.58)	(92.32)
Income tax effect		33.40	32.26
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		**(62.18)**	**(60.06)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedge reserve		54.22	-
Income tax effect		(18.95)	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		**35.27**	**-**
Other comprehensive income for the year, net of tax (A+B) (II)		**(26.91)**	**(60.06)**
Total comprehensive income for the year, net of tax (I + II)		**3,563.28**	**4,922.77**
Earnings per share of INR 5 each			
Basic earnings per share		15.80	22.67
Diluted earnings per share		15.73	22.53

Summary of significant accounting policies 2.1

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

As per our report of even date.

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Standalone Statement of Changes in Equity for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

a. Equity share capital:

Equity shares of INR 5 each issued, subscribed and fully paid	No. of shares	Amount
As at April 1, 2017	2,12,41,591	1,062.08
Issue of equity shares (Note 16)	14,69,320	73.47
As at March 31, 2018	2,27,10,911	1,135.55
Issue of equity shares (Note 16)	18,445	0.92
As at March 31, 2019	**2,27,29,356**	**1,136.47**

b. Other equity

For the year ended March 31, 2019

Particulars	Securities premium reserve (Note 17)	Retained earnings (Note 17)	Share-based payments reserve (Note 17)	Cash flow hedge reserve (Note 17)	Total other equity
As at April 1, 2018	**12,502.66**	**3,592.72**	**87.24**	**-**	**16,182.62**
Profit for the year	-	3,590.19	-	-	3,590.19
Other comprehensive income (Note 32)	-	(62.18)	-	35.27	(26.91)
Total comprehensive income	**-**	**3,528.01**	**-**	**35.27**	**3,563.28**
Exercise of share options (Note 36)	37.18	-	(10.91)	-	26.27
Share based payment expenses (Note 25)	-	-	37.16	-	37.16
Transferred from share-based payments reserve upon lapse of vested stock options	-	1.05	(1.05)	-	-
Cash dividends (including dividend distribution tax)	-	(410.92)	-	-	(410.92)
As at March 31, 2019	**12,539.84**	**6,710.86**	**112.44**	**35.27**	**19,398.41**

For the year ended March 31, 2018

Particulars	Securities premium reserve (Note 17)	Retained earnings (Note 17)	Share-based payments reserve (Note 17)	Cash flow hedge reserve (Note 17)	Total other equity
As at April 1, 2017	171.20	(1,333.85)	115.62	-	(1,047.03)
Profit for the year	-	4,982.83	-	-	4,982.83
Other comprehensive income (Note 32)	-	(60.06)	-	-	(60.06)
Total comprehensive income	**-**	**4,922.77**	**-**	**-**	**4,922.77**
Exercise of share options (Note 36)	175.75	-	(31.91)	-	143.84
Amounts utilised toward share issue expenses (Note 46)	(777.55)	-	-	-	(777.55)
Issue of share capital (Note 16 & 46)	12,933.26	-	-	-	12,933.26
Share based payment expenses (Note 25)	-	-	7.33	-	7.33
Transferred from share-based payments reserve upon lapse of stock options	**-**	**3.80**	**(3.80)**	**-**	**-**
As at March 31, 2018	**12,502.66**	**3,592.72**	**87.24**	**-**	**16,182.62**

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

As per our report of even date.

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Standalone Statement of Cash flows for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from / (used in) operating activities			
Profit before exceptional items and tax		5,154.74	4,889.64
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	26	1,105.63	957.15
Impact of fair value changes of interest free security deposits (net)		0.96	3.48
Reversal of excess interest provision on income tax		(3.62)	-
Loss on sale/ write-off of property, plant and equipment (net)	29	7.35	1.21
Unrealised foreign exchange (gain) / loss		2.56	6.18
Impairment of financial assets	29	79.46	124.59
Share based payment expenses	25	37.16	7.33
Liabilities no longer required written back		(25.00)	-
Interest expense	27	3.36	122.62
Income from mutual fund investments	23	(723.98)	(122.85)
Interest income	23	(606.35)	(518.56)
Operating profit / (loss) before working capital changes		**5,032.27**	**5,470.79**
Movement in working capital :			
(Increase) / decrease in financial assets		237.69	120.00
(Increase) / decrease in other assets		(199.43)	775.17
Increase / (decrease) in trade payables		379.01	234.47
Increase / (decrease) in other liabilities		1,251.41	1,258.04
Increase / (decrease) in provisions		2.47	(360.77)
Cash generated from / (used in) operations		**6,703.42**	**7,497.70**
Income taxes paid (net of refunds)		(1,487.96)	(1,209.25)
Net cash generated from / (used in) operating activities before exceptional items		**5,215.46**	**6,288.45**
Cash flow from / (used in) Exceptional items		-	1,281.92
Net cash flow from / (used in) operating activities (A)		**5,215.46**	**7,570.37**
Cash flow from / (used in) investing activities			
Purchase of property, plant and equipment including intangible assets		(1,921.93)	(5,399.61)
Proceeds from sale of property, plant and equipment		5.14	6.64
Investment in subsidiary		(10.17)	-
Loan to subsidiary		(53.65)	-
Proceeds from sales of mutual funds		8,171.82	-
Purchase of mutual funds		(13,750.00)	(7,250.00)
Interest received		490.20	547.13
Redemption of bank deposits (with maturity more than three months)		8,112.45	4,112.84
Investment in bank deposits (with maturity more than three months)		(6,217.37)	(7,013.21)
Net cash flow / (used in) investing activities (B)		**(5,173.51)**	**(14,996.21)**
Cash flows from / (used in) financing activities			
Proceeds from issue of share capital (including securities premium)		27.17	12,373.02
Dividend paid (Including dividend distribution tax)		(410.92)	-
Repayment of borrowings		(641.47)	(3,811.74)
Interest paid		(3.36)	(122.61)
Net cash flow from / (used in) financing activities (C)		**(1,028.58)**	**8,438.67**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(986.63)**	**1,012.83**
Cash received on business acquisition of business	47	-	3.00
Effect of exchange differences on cash & cash equivalents held in foreign currency		(1.48)	(0.10)
Cash and cash equivalents at the beginning of the year		1,303.60	287.87
Cash and cash equivalents at the end of the year (refer note 6)		**315.49**	**1,303.60**

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

As per our report of even date.

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Notes to the standalone financial statements for the year ended March 31, 2019

1. Corporate information

Matrimony.com Limited ('Matrimony.com' or the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. 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 Mandap and Mbazaar, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Company also provides Photography and videography services to the customers in Tamil Nadu, Kerala, Karnataka and Telangana. The sources are primarily lead obtained from wedding card printers, profiles which are matched and referrals.

On September 21, 2017, the Company listed its equity shares with National Stock Exchange of India and Bombay Stock Exchange of India. The registered office of the company is located at No: 94, TVH Beliciaa Towers, MRC Nagar, Mandaveli, Chennai - 600028.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2019.

2. Significant accounting policies

2.1. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The standalone financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments)

The standalone financial statements are presented in INR (its functional currency) and all values are rounded to the nearest lakhs, except where otherwise indicated.

2.2. Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of services, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

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, where applicable. 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

Notes to the standalone financial statements for the year ended March 31, 2019

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 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 residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) 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 based on management estimates.

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 treated as changes in accounting estimates.

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.

d) Depreciation and amortisation

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.

e) Leases

Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. 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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the increase in lease rental payment is in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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 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.

Notes to the standalone financial statements for the year ended March 31, 2019

g) Impairment of non-financial 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 fair value less costs of disposal, 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) Revenue from contracts with customers and other income

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

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 goods and services 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 franchisee 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.

Revenue from other marriage related services are recognized as and when the services are rendered.

Interest income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange of services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Notes to the standalone financial statements for the year ended March 31, 2019

i) Foreign currency transactions

The Company's standalone financial statements are presented in INR, which is also the Company's functional currency.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

j) 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.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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.

k) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

l) Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Notes to the standalone financial statements for the year ended March 31, 2019

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Share based payments

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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 its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) 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 standalone financial statements.

p) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the standalone financial statements for the year ended March 31, 2019

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>Financial assets</u>

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the standalone financial statements for the year ended March 31, 2019

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

<u>Financial liabilities</u>

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Notes to the standalone financial statements for the year ended March 31, 2019

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as cash flow hedges (forward currency contracts) to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. Refer to Note 42 for more details.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Notes to the standalone financial statements for the year ended March 31, 2019

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows, cash and cash equivalents consist of cash and short-term deposits.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer Note 40 for segment information presented.

v) Cash dividend and non-cash distribution to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are not significant.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the full retrospective method of adoption. The effect of the transition on the current period is not significant.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment								Intangible assets			
	Computers and Network Equipment	Office equipment	Furniture and fixtures	Lease-hold improve-ments	Plant & Machinery	Land (Note c below)	Vehicles	Total	Web domain	Portal develop-ment	Software	Total
Cost as at April 1, 2017	**1,742.80**	**289.47**	**76.73**	**142.35**	**97.89**	**-**	**99.35**	**2,448.59**	**165.11**	**17.61**	**793.66**	**976.38**
Additions (refer note c)	515.85	95.62	10.23	18.19	135.63	4,359.66	-	5,135.18	111.08	-	57.11	168.19
Disposals	(9.94)	(2.67)	(1.00)	(3.00)	(2.07)	-	-	(18.68)	-	-	-	-
As at March 31, 2018	**2,248.71**	**382.42**	**85.96**	**157.54**	**231.45**	**4,359.66**	**99.35**	**7,565.09**	**276.19**	**17.61**	**850.77**	**1,144.57**
Additions	1,441.78	84.04	42.80	287.55	-	-	-	1,856.17	40.13	-	22.62	62.75
Disposals	(40.72)	(29.36)	(32.03)	(29.52)	(11.03)	-	-	(142.66)	-	-	-	-
As at March 31, 2019	**3,649.77**	**437.10**	**96.73**	**415.57**	**220.42**	**4,359.66**	**99.35**	**9,278.60**	**316.32**	**17.61**	**873.39**	**1,207.32**
Depreciation/Amortisation as at April 1, 2017	**422.46**	**101.19**	**28.06**	**81.14**	**24.99**	**-**	**15.25**	**673.09**	**32.86**	**5.81**	**290.83**	**329.50**
Charge for the year	461.21	80.11	23.08	39.47	38.59	-	15.23	657.69	34.73	5.81	258.92	299.46
Disposals	(5.44)	(1.35)	(0.99)	(2.32)	(0.73)	-	-	(10.83)	-	-	-	-
Depreciation/Amortisation as at March 31, 2018	**878.23**	**179.95**	**50.15**	**118.29**	**62.85**	**-**	**30.48**	**1,319.95**	**67.59**	**11.62**	**549.75**	**628.96**
Charge for the year	586.31	90.40	38.49	53.54	48.90	-	15.21	832.85	79.08	1.45	192.25	272.78
Disposals	(39.67)	(27.56)	(31.76)	(23.51)	(7.67)	-	-	(130.17)	-	-	-	-
As at March 31, 2019	**1,424.87**	**242.79**	**56.88**	**148.32**	**104.08**	**-**	**45.69**	**2,022.63**	**146.67**	**13.07**	**742.00**	**901.74**
Net Block												
As at April 1, 2017	**1,320.34**	**188.28**	**48.67**	**61.21**	**72.90**	**-**	**84.10**	**1,775.50**	**132.25**	**11.80**	**502.83**	**646.88**
As at March 31, 2018	**1,370.48**	**202.47**	**35.81**	**39.25**	**168.60**	**4,359.66**	**68.87**	**6,245.14**	**208.60**	**5.99**	**301.02**	**515.61**
As at March 31, 2019	**2,224.90**	**194.31**	**39.85**	**267.25**	**116.34**	**4,359.66**	**53.66**	**7,255.97**	**169.65**	**4.54**	**131.39**	**305.58**

(a) The amount of borrowing costs capitalised during the year ended 31 March 2019 was Rs Nil (March 31, 2018: Rs Nil: April 1, 2017: Rs Nil).

(b) On October 11, 2017, the Company executed a sale deed for purchase of land amounting to Rs.3,890.90 lakhs by utilizing the IPO proceeds. The Company additionally incurred Rs. 434.52 lakhs and Rs. 34.24 lakhs towards stamp duty and legal expenses & brokerage respectively, which has been capitalized along with the cost of the land.

(c) Additions to Computers and Network Equipment and web domain for the year ended 31 March 2018 includes Rs 0.03 lakhs of computers and Rs. 111.09 lakhs of domain acquired consequent to acquisition of business of Second Shaadi.com. Also refer note 47.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
4	**Investment in subsidiaries**		
	*Community Matrimony Private Limited	-	-
	- 99,999 (March 31, 2018 - 99,999) equity shares of Re. 1 each fully paid up		
	(At cost less impairment allowance of Rs. Nil (March 31, 2018: Rs 1 lakh)		
	Sys India Private Limited	1.00	1.00
	- 99,900 (March 31, 2018 - 99,900) equity shares of Re. 1 each fully paid up		
	Consim Info USA Inc., USA	0.45	0.45
	- 1,000 (March 31, 2018 - 1,000) equity shares of USD 1 each fully paid up		
	**Matchify Services Private Limited	-	-
	- 41,24,500 (March 31, 2018 - 41,24,500:) equity shares of Rs. 10 each fully paid up		
	(At cost less impairment allowance of Rs. Nil (March 31, 2018: Rs 412.45 lakhs)		
	**Tambulya Online Marketplace Private Limited	-	-
	- 30,50,000 (March 31, 2018 - 30,50,000) equity shares of Rs. 10 each fully paid up		
	(At cost less impairment allowance of Rs. Nil (March 31, 2018: Rs 305.00 lakhs)		
	Matrimony DMCC, Dubai	10.17	-
	- 50,000 (March 31, 2018 - Nil: equity shares of AED 1 each fully paid up		
		11.62	**1.45**
	Aggregate amount of unquoted investments (net of impairment allowance)	11.62	1.45
	Aggregate impairment allowance in the value of investments	-	718.45

* The Management had earlier decided to wind-up the operations of its subsidiary M/s Community Matrimony Private Limited to curtail the losses incurred by these businesses in the future. On March 28, 2018, the Board of Directors of the subsidiary passed a resolution to have the entity's name struck-off from register of companies maintained by Registrar of Companies (ROC) pursuant to Section 248 of the Companies Act, 2013. Accordingly, the Company had provided for impairment allowance for the carrying value of such investment amounting to Rs 1.00 lakh during the previous year. The Registrar of Companies has issued notice confirming the striking off and dissolution, with effect from February 13, 2019.

** 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. The Company has provided for the impairment allowance for the carrying value of such investments amounting to Rs. 664.45 lakhs and Rs. 717.45 lakhs as at March 31, 2016 and March 31, 2017 respectively. On March 28, 2018, the Board of Directors of the respective subsidiaries passed a resolution to have the entity's name struck-off from register of companies maintained by Registrar of Companies (ROC) pursuant to Section 248 of the Companies Act, 2013. The impairment allowance for such investment as at March 31, 2018 amounts to Rs. 717.45 lakhs. The Registrar of Companies has issued notice confirming the striking off and dissolution, with effect from February 13, 2019.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
5	**Security deposits**		
	(at amortised cost)		
	Non-current		
	Security deposits		
	Considered good	810.21	1,010.09
	Considered doubtful	22.90	13.62
		833.11	1,023.71
	Less: impairment allowance on deposits	22.90	13.62
		810.21	**1,010.09**
	Current		
	Security deposits		
	Considered good	280.03	155.04
		1,090.24	**1,165.13**
6	**Cash and cash equivalents**		
	Balances with banks on current accounts	261.97	376.33
	Deposits with original maturity of less than three months	-	856.14
	Cheques on hand	15.44	24.66
	Cash on hand	38.08	46.47
		315.49	**1,303.60**
7	**Bank balances other than cash and cash equivalents**		
	(at amortised cost)		
	Non-current		
	Deposits with original maturity of more than 12 months	0.75	0.75
	Current		
	Deposits with original maturity of more than 3 months but less than 12 months *	6,217.37	8,112.45

* The Company has pledged Rs. 1,000 lakhs as on March 31, 2019 (Rs. 1,000 lakhs as on March 31, 2018) of its deposits along with the applicable accrued interest on the said fixed deposits to fulfill collateral requirements.

Fixed deposits earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates

		As at March 31, 2019	As at March 31, 2018
8	**Loan to subsidiary**		
	(at amortised cost)		
	Loan to Matrimony DMCC*	55.78	-

*The Company has granted 10% interest bearing unsecured loan of 2,85,000 AED to its subsidiary to carry out the principal business operations. The same is repayable with accrued interest on or before October 31, 2019.

		As at March 31, 2019	As at March 31, 2018
9	**Derivative instruments**		
	(at fair value)		
	Cash flow hedges - Foreign exchange forward contracts	54.22	-
10	**Other financial assets**		
	(at amortised cost)		
	Interest accrued on fixed deposits	329.69	215.67
	Loans to employees		
	Considered good	37.13	34.99
	Considered doubtful	3.87	3.38
		41.00	38.37
	Less: impairment allowance	3.87	3.38
		37.13	34.99
	Others	-	1.29
		366.82	**251.95**

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
11	**Investments (at fair value through profit and loss)**		
	Investment in Mutual funds		
	3,92,664.51 units (March 31, 2018: Nil units) Aditya Birla Sun Life Money Manager Fund Growth	982.75	-
	31,002.11 units (March 31, 2018: Nil units) UTI-Liquid Cash Plan – IP Growth	945.18	-
	2,14,178.17 units (March 31, 2018: Nil units) ICICI Prudential Savings Fund Growth	768.00	-
	69,384.44 units (March 31, 2018: Nil units) L&T Liquid Growth	1,771.11	-
	16,423.83 units (March 31, 2018: Nil units) HDFC Liquid Fund Growth	600.93	-
	49,30,686.57 units (March 31, 2018: Nil units) Kotak Savings Fund Regular Growth	1,477.22	-
	2,46,706.31 units (March 31, 2018: Nil units) Aditya Birla Sun Life Liquid Fund Growth	737.33	-
	4,868.82 units (March 31, 2018: Nil units) SBI Magnum Ultra Short Duration Fund Growth	201.81	-
	11,814.06 units (March 31, 2018: Nil units) Tata Treasury Advantage Fund Direct Growth	339.23	-
	68,035.98 units (March 31, 2018: Nil units) TATA Liquid Fund - Direct Plan - Growth	2,003.28	-
	76,666.63 units (March 31, 2018: Nil units) Invesco India Liquid Fund - Direct Plan - Growth	1,972.20	-
	90,877.30 (March 31, 2018: 86,165.39 units) Axis liquid fund daily dividend	1,875.97	862.86
	Nil units (March 31, 2018: 9,12,971.81 units) Aditya birla sun life floating rate fund short term plan daily dividend	-	913.74
	Nil units (March 31, 2018: 8,04,379.47 units) ICICI prudential liquid weekly dividend	-	806.69
	Nil units (March 31, 2018: 9,45,938.82 units) Aditya birla sun life floating rate long term - daily dividend	-	953.54
	Nil units (March 31, 2018: 94,88,612.82 units) HDFC floating rate income fund short term plan wholesale dividend reinvestment daily	-	956.54
	Nil units (March 31, 2018: 9,51,579.48 units) ICICI prudential flexible income daily dividend	-	1,006.16
	Nil units (March 31, 2018: 94,183.42 units) Kotak low duration fund regular plan weekly dividend	-	957.59
	Nil units (March 31, 2018: 53,56,401.30 units) Reliance medium term fund - daily dividend plan	-	915.73
		13,675.01	**7,372.85**
	Aggregate amount of book value unquoted investments	13,675.01	7,372.85
	Aggregate provision for impairment allowance in value of investments	-	-
	Aggregate amount of fair value unquoted investments	13,675.01	7,372.85
12	**Trade receivables**		
	(unsecured and at amortised cost)		
	Trade receivables	255.15	299.16
	Receivables from related parties (refer note 39)	95.14	229.10
		350.29	**528.26**
	Trade receivables		
	- Considered good	350.29	528.26
	- Significant increase in credit risk	75.03	113.15
		425.32	**641.41**
	Less: Significant increase in credit risk	75.03	113.15
	Total current trade receivable	**350.29**	**528.26**
	No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.		
	Trade receivables are non-interest bearing and are due immediately.		
	For terms and conditions relating to related party receivables, refer note 39		
13	**Other non-current assets**		
	Capital advances	18.87	8.33
	Prepaid expenses	230.26	252.13
	Balances with Statutory / Government authorities	69.07	73.49
		318.20	**333.95**
14	**Other current assets**		
	Prepaid expenses	325.29	200.64
	Balances with Statutory / Government authorities	116.39	51.28
	Advances for supply and services	138.08	178.74
		579.76	**430.66**

Notes to the standalone financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
15	**Deferred tax assets (net)**		
	Minimum alternative tax credit entitlement (MAT credit)	152.34	149.96
	Additional MAT credit entitlement recognised during the year	-	2.38
	Less: Utilised during the year	152.34	-
		-	152.34
	Deferred tax assets	232.83	191.94
	Deferred tax liabilities	(42.37)	(63.67)
	Deferred tax asset (net)	**190.46**	**280.61**
	Reconciliation of deferred tax asset (net)	**March 31, 2019**	**March 31, 2018**
	Opening balance	280.61	149.96
	Tax income/(expense) during the year in Profit and Loss*	47.74	96.01
	Tax income/(expense) during the year in OCI	14.45	32.26
	MAT credit entitlement for the year	(152.34)	2.38
	Closing balance	**190.46**	**280.61**
*	**Reconciliation of Tax income/(expense) during the year in Profit and Loss**		
		March 31, 2019	**March 31, 2018**
	Tax income/(expense) during the year in Profit and Loss	(60.27)	98.39
	MAT credit entitlement for the year	6.27	(2.38)
	Tax income/(expense) relating to earlier years	101.74	-
		47.74	**96.01**

Deferred tax relates to the following

Particulars	Balance sheet		Profit and Loss		OCI	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liability						
Impact of difference between written down value of property, plant and equipment in books for financial reporting and tax books	-	63.67	-	63.67	-	-
Impact of Fair value gain on mutual funds at fair value through profit or loss	23.42	-	23.42	-	-	-
Impact of unrealised gain on cash flow hedge	18.95	-	-	-	18.95	-
Gross deferred tax liability	**42.37**	**63.67**	**23.42**	**63.67**	**18.95**	**-**
Deferred tax asset						
MAT credit	-	152.34	-	-	-	-
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	138.68	146.08	(40.81)	113.82	33.40	32.26
Impairment allowance (doubtful debts and advances)	27.57	40.72	(13.15)	40.72	-	-
Provision for deposits	8.00	4.76	3.24	4.76	-	-
Impact of Difference between written down value of property, plant and equipment in books for financial reporting and tax books	58.20	-	121.88	-	-	-
Others	0.38	0.38	-	0.38	-	-
Gross deferred tax asset	**232.83**	**344.28**	**71.16**	**159.68**	**33.40**	**32.26**
Net deferred tax asset / (deferred tax liability)	**190.46**	**280.61**	**47.74**	**96.01**	**14.45**	**32.26**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

		As at March 31, 2019	As at March 31, 2018
16	**Share Capital**		
	Authorised shares		
	3,60,00,000 Equity shares of Rs.5/- each (March 31, 2018: 3,60,00,000 Equity shares of Rs.5/- each)	1,800.00	1,800.00
	42,00,000 (March 31, 2018: 42,00,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each	210.00	210.00
	Issued, subscribed and fully paid-up equity shares		
	2,27,29,356 Equity shares of Rs.5/- each (March 31, 2018: 2,27,10,911 Equity shares of Rs.5/- each)	1,136.47	1,135.55
		1,136.47	**1,135.55**

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

16 Share Capital *(Continued)*

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

Equity shares

	March 31, 2019		March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,27,10,911	1,135.55	2,12,41,591	1,062.08
Issued during the year (refer note 46)	-	-	13,34,897	66.75
Issued during the year - ESOP (refer note 36)	18,445	0.92	1,34,423	6.72
Outstanding at the end of the year	**2,27,29,356**	**1,136.47**	**2,27,10,911**	**1,135.55**

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

Equity shares of Rs.5/- each fully paid

Name of shareholder	March 31, 2019		March 31, 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	1,14,28,766	50.28%	1,14,28,766	50.32%
CMDB II	33,66,415	14.81%	33,66,415	14.82%
Mayfield XII, Mauritius	23,78,488	10.46%	23,78,488	10.47%
HDFC Trustee Company Limited - HDFC Prudence Fund	-	-	19,62,977	8.64%
Nalanda India Equity Fund Limited	21,23,500	9.34%	-	-

* 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.

(d) 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:

Particulars	As at March 31				
	2018	2017	2016	2015	2014
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Re 1/- each) (refer note (i))	-	-	-	106.50	-
Subsequently consolidated into equity shares of Rs. 3/- each (refer note (ii))	-	-	-	63.90	-
Securities premium utilised for Bonus Shares issued on conversion of CCPS (refer note (iii))	-	138.90	-	-	-

(i) 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 74.69 lakhs 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 244.82 lakhs for the issue of said bonus shares.

(ii) In Extraordinary General Meeting held on August 5, 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.

(iii) On August 10, 2016, the Company converted 63,85,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 138.90 lakhs for the conversion.

(e) 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 36.

(f) During the year ended March 31, 2019, the Company has not issued shares for consideration other than cash.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
17	**Other equity**		
(a)	**Securities premium account**		
	Opening balance	12,502.66	171.20
	Add: issue of share capital (Note 46)	-	12,933.26
	Add: exercise of stock options	37.18	175.75
	Less: transaction costs on issue of shares (Note 46)	-	(777.55)
	Closing balance	**12,539.84**	**12,502.66**
(b)	**Retained earnings**		
	Opening balance	3,592.72	(1,333.85)
	Profit for the year	3,590.19	5,015.09
	Re-measurement gain / (loss) on defined benefit plans (net of tax impact) (refer note 32)	(62.18)	(92.32)
	Add: transferred from share-based payments reserve upon lapse of stock options	1.05	3.80
	Less: Cash dividend (including dividend distribution tax)*	(410.92)	-
	Closing balance	**6,710.86**	**3,592.72**
*	**Distribution made and proposed**		
	Cash dividends on equity shares declared and paid:		
	Final dividend for the year ended on 31 March 2019: ₹ Nil per share (31 March 2018: ₹ 1.5 per share)	340.86	-
	Dividend distribution tax	70.06	-
		410.92	**-**
	Proposed dividends on equity shares:		
	Final dividend for the year ended on 31 March 2019: ₹ 1.5 per share (31 March 2018: ₹ 1.5 per share)	340.94	340.86
	Dividend distribution tax	70.08	70.06
		411.02	**410.92**
	Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31.		
(c)	**Share based payments reserve**		
	Opening balance	87.24	115.62
	Addition during the year	37.16	7.33
	Less: transferred to security premium on excecise of stock options	(10.91)	(31.91)
	Less: transferred to retained earnings upon lapse of stock options	(1.05)	(3.80)
	Closing balance	**112.44**	**87.24**
(d)	**Cash flow hedge reserve**		
	Opening balance	-	-
	Addition during the year (net of tax impact) (refer note 32)	35.27	-
	Closing balance	**35.27**	**-**
	Total other equity	**19,398.41**	**16,182.62**

18 Borrowings (at amortised cost)

	Effective interest rate (%)	As at March 31, 2019	As at March 31, 2018
Current			
Bank overdraft (secured)*	8.15%	-	641.47
Total		**-**	**641.47**

* The company maintains overdraft facility with HDFC bank which is repayable on demand and the Company's overdraft balance as at March 2019 is Nil. 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. 1,000 lakhs along with the applicable accrued interest on the said fixed deposits have been lien marked in favour of the Bank. The change in the borrowings from April 1, 2018 to March 31, 2019 represents the repayment of borrowings and there are no other cash flow / non-cash changes.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
19	**Trade & other payables**		
(a)	**Trade payables**		
	Current		
	Trade payables (refer note 34)	1,602.70	1,067.64
	Dues to employees	483.61	616.43
	Dues to related parties (refer note 39)	-	22.14
		2,086.31	**1,706.21**
(b)	**Other payables**		
	Current		
	Payables for capital purchases	44.63	45.27
		44.63	**45.27**
	Trade payables and other payables are generally non-interest bearing and is in the range of 0 to 3 months.		
	For Company's credit risk management process refer note 42.		
20	**Other liabilities**		
	Non-current		
	Deferred revenue	38.10	30.31
		38.10	**30.31**
	Current		
	Deferred revenue	**7,082.75**	**5,635.20**
	Advances from customers	166.32	141.65
	Withholding and other taxes payable	538.79	792.39
		7,787.86	**6,569.24**
21	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Provision for gratuity (refer note 37)	-	39.64
		-	**39.64**
	Current		
	Provision for employee benefits		
	- Provision for gratuity (refer note 37)	178.24	54.88
	- Provision for leave benefits	247.37	219.75
	Other provisions		
	Provision for litigations (refer note below)	180.49	193.78
		606.10	**468.41**
	Provision for litigations:		
	The movement of provision for litigation during the period is given below:		
	Opening balance	193.78	193.78
	Additions	-	-
	Utilisation / payment	(13.29)	-
	Closing balance	**180.49**	**193.78**

(a) Service tax: The Company had made provision of Rs. 13.29 lakhs for certain disputed liabilities relating to service tax in the earlier years and the same was utilised for discharging the liability by accepting the order of the Customs Excise and Service Tax Appellate Tribunal (CESTAT).

(b) Employees' Provident Fund (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 Provident Fund (PF) contribution for the period April 2012 to May 2014. As a matter of prudence the Company has provided for the demand of Rs. Rs. 162.91 lakhs and other related liabilities of Rs. 17.58 lakhs. Honourable Supreme Court has issued an order dated February 28, 2019, in a matter similar to the case involving the company as detailed above . There are numerous interpretative issues relating to this judgement. The Company has made a related provision based on legal advice received and management's evaluation and best estimate as at March 31, 2019. Further, the Company is complying with the SC order prospectively and will update its provision on receiving further clarity on the subject.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
22	**Revenue from contracts with customers**		
	Income from services	39,595.29	34,382.22
	Business license fee	51.35	1,555.04
	Less : taxes collected from customers	(5,669.45)	(5,115.94)
		33,977.19	**30,821.32**

Disaggregated revenue information

Set out below is the disaggregation of the Company revenue from contracts with customers:

	Year ended March 31, 2019	Year ended March 31, 2018
Type of service:		
Matchmaking services	32,712.21	29,184.76
Marriage services	1,264.98	1,636.56
Total revenue from contracts with customers	**33,977.19**	**30,821.32**
Geographical revenue:		
India	29,877.03	28,796.10
Outside India	4,100.16	2,025.22
Total revenue from contracts with customers	**33,977.19**	**30,821.32**
Timing of Revenue recognition:		
Service transferred at a point in time	1,164.14	1,298.94
Services transferred over time	32,813.05	29,522.38
Total Revenue from contracts with customers	**33,977.19**	**30,821.32**

Contract balances

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade receivables	350.29	528.26	960.03
Contract assets	-	-	-
Contract liabilities	7,287.17	5,807.16	5,148.61

Set out below is the amount of revenue recognised from:

	Year ended March 31, 2019	Year ended March 31, 2018
Amounts included in contract liabilities at the beginning of the year	**5,658.52**	**4,960.91**
Performance obligations satisfied in previous years	-	-

Contract liabilities include long-term and short-term advances received to deliver subscriptions services. The outstanding balances of these accounts increased due to the continuous increase in the Company's customer base.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

Due to Company's nature of business and the type of contracts entered with the customers, the company does not have any difference between the amount of revenue recognized in the statement of profit and loss and the contracted price.

Performance obligation

Information about the Company's performance obligations are summarised below:

Matchmaking services

The performance obligation is satisfied over the period of subscription ranging from 1 to 24 months and the payment is collected upfront.

Marriage services

Marriage services consist of Photography services, MatrimonyMandaps services and MatrimonyBazaar services.

-Photography services

The performance obligation is satisfied upon occurrence of the photography event/delivery of video footage or photo album as per the contract with customers.The Company collects some portion of the selling price as an advance which differs from case to case basis, however there are no significant financing component in these contracts.

-Matrimony Bazaar services

The primary performance obligation under Matrimony bazaar services contract is to provide leads to the contracted customer and the charges per lead is deducted against the advance collected from the customer. The Company also charges a fixed fee for other services provided under the contract for which the performance obligation is satisfied over the period of the contract. There are no significant financing component in these contracts.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

22 Revenue from contracts with customers *(Continued)*

– Matrimony Mandap Services

The performance obligation under Matrimony mandap services contract is to secure booking of mandap and the Company collects commission upon each successful booking.

There are no significant return / refund / other obligations for any of the above mentioned services.

		Year ended March 31, 2019	Year ended March 31, 2018
23	**Finance income**		
	Interest income from:		
	- Bank deposits	593.36	454.92
	- Guarantee fee (refer note 39)	-	3.75
	- Fair value changes of interest free security deposits	65.12	58.32
	- Interest on loan	12.99	1.57
	Income from mutual fund investments	723.98	122.85
		1,395.45	**641.41**
24	**Other income**		
	Liabilities no longer required written back*	25.00	-
	Agency commission income (refer note 39)	16.80	16.80
	Government contribution to employee provident fund**	122.88	-
	Miscellaneous income	10.59	4.71
		175.27	**21.51**
	* The provision recognised earlier for services as per agreement has been evaluated by the Company and determined as no longer required. Hence the same was recognised as other income.		
	** **Government grants**		
	At April 1	**-**	**-**
	Received during the year	122.88	-
	Released to the statement of profit and loss	(122.88)	-
	At March 31	**-**	**-**
	Government grant have been received under Pradhan Mantri Rojgar Protsahan Yojana ('PMRPY') scheme for incentivising employers for generation of new employments.		
25	**Employee benefit expense**		
	Salaries, wages and bonus	12,599.15	11,820.99
	Contribution to provident and other fund	931.14	858.93
	Gratuity expense (refer note 37)	78.13	95.02
	Share based payment expenses (refer note 36)	37.16	7.33
	Staff welfare expenses	388.10	356.35
	Recruitment and training	59.90	136.19
		14,093.58	**13,274.81**
26	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	832.85	657.69
	Amortisation of intangible assets	272.78	299.46
		1,105.63	**957.15**
27	**Finance cost**		
	Bank charges	4.56	3.36
	Interest	3.36	122.62
		7.92	**125.98**
28	**Advertisement and business promotion expenses**		
	Advertisement	7,527.13	4,973.42
	Business promotion expenses	595.26	618.91
		8,122.39	**5,592.33**

Notes to the standalone financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
29	**Other expenses**		
	Web hosting charges	642.10	619.33
	Electricity	535.13	523.73
	Rent and amenities	1,910.53	1,779.03
	Rates and taxes	13.45	27.63
	Insurance	68.09	61.70
	Repairs and maintenance - others	628.47	571.93
	Travelling and conveyance	312.80	292.93
	Communication costs	679.66	732.05
	Printing and stationery	30.80	31.42
	Legal and professional fees #	610.62	375.07
	Directors' sitting fees	56.00	36.00
	Exchange differences (net)	8.60	26.99
	Impairment allowance on financial assets	187.27	218.83
	Less: Bad debts written off	(107.81)	(94.24)
	Impairment allowance on financial assets (net)	79.46	124.59
	Loss on sale/ write off of Property, plant and equipment (net)	7.35	1.21
	Collection charges	860.68	600.95
	Outsourced photography service charges	553.68	789.33
	CSR expenses ##	1.80	1.55
	Miscellaneous expenses	64.43	48.89
		7,063.65	**6,644.33**
	# Payment to auditor (Included under legal and professional fees)		
	As auditor:		
	Audit fee	26.00	24.00
	Limited review	9.00	7.00
	Tax audit fee	1.00	1.00
	In other capacity:		
	IPO Certification	-	40.00
	Others (includes other certifications)	1.00	10.50
		37.00	**82.50**
	Less: grouped under "share issue expenses" (refer note 46)	-	(50.50)
		37.00	**32.00**
	## Details of CSR Expenditure		
	Gross amount required to be spend by the Company during the year	39.80	-
	Amount spent during the year ended 31st March 2019:	**In Cash**	**Yet to be paid in cash**
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	1.80	38.00
	Amount spent during the year ended 31st March 2018:		
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	1.55	-
30	**Exceptional items**		
	Voluntary contribution from Promoter (refer note below and 38 (c))	-	(1281.92)
		-	**(1281.92)**

Note:

During the previous year, the Company's subsidiary completed the settlement / payment process in respect of a litigation and based on a call made by the Company, the Promoter paid an agreed sum of Rs. l,281.91 lakhs ($ 2,000,000) towards his voluntary contribution to the Company under an Inter Se Agreement between the Company including certain subsidiaries and its directors and the Promoter. As the amount involved is significant, the related income has been disclosed as exceptional item in the financial statements for the year ended March 31, 2018.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
31	**Income tax expense**		
	The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
	Profit or loss section		
	Current tax:		
	Current income tax charge	1,497.47	1,287.12
	Adjustments in respect of current income tax of previous year	6.81	-
	Deferred tax:		
	Relating to the origination and reversal of temporary differences	60.27	(98.39)
	Income tax expense reported in the statement of profit and loss	**1,564.55**	**1,188.73**
	Other comprehensive income (OCI) section		
	Net loss on re-measurement of defined benefit obligation	(33.40)	(32.26)
	Relating to tax on cash flow hedging	18.95	-
	Income tax charged to OCI	**(14.45)**	**(32.26)**
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:		
	The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows:		
	Accounting Profit before income tax (A)	**5,154.74**	**6,171.56**
	Profit before income tax multiplied by standard rate of corporate tax in India of 34.944%	1,801.27	2,135.85
	Adjustments		
	Non-deductible expenses	0.05	(16.23)
	Losses utilised on which deferred taxes were not recognised in earlier years (Note 15)	(195.22)	(650.59)
	Difference in income tax and deferred tax rates	-	1.57
	Tax allowances under Income Tax Act, 1961	(28.47)	(46.81)
	Deferred tax assets created in the current year relating to the earlier years	-	(225.63)
	Tax exempt income	(34.34)	(41.69)
	At the effective income tax rate of 29.94% (31 March 2018: 18.74%)	**1,543.29**	**1,156.47**
	Total tax expense reported in the statement of profit and loss	1,557.74	1,188.73
	Total tax expense / (income) reported in the other comprehensive income	(14.45)	(32.26)
	Total tax expense	**1,543.29**	**1,156.47**
	Reconciliation of total tax expenses		
	Income tax expense reported in the statement of profit and loss	1,564.55	1,188.73
	Income tax charged to OCI	(14.45)	(32.26)
	Less:Tax expense relating to previous year	(6.81)	-
	Total tax expense	**1,543.29**	**1,156.47**
32	**Components of Other Comprehensive Income (OCI)**		
	The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
	Re-measurement losses on defined benefit plans (net of tax impact)	(62.18)	(60.06)
	Unrealised gain on derivative contracts (net of tax impact)	35.27	-
		(26.91)	**(60.06)**

33 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	March 31, 2019	March 31, 2018
Profit attributable to equity holders of the company	**3,590.19**	**4,982.83**
Weighted average number of shares		
- Basic	2,27,26,189	2,19,78,181
Effect of dilution:		
(i) Share options	1,03,035	1,39,491
- Diluted	2,28,29,224	2,21,17,672
Earning per share of Rs.5.00/- each		
- Basic	15.80	22.67
- Diluted	15.73	22.53

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

34 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 Dues including interest to Micro, Small and Medium Enterprises as on March 31, 2019 are Rs 2.95 lakhs (March 31, 2018: Nil).*

The following are the break up of dues to Micro, small and Medium Enterprises:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Principle amount due to suppliers under MSMED Act	14.56	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.57	-
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	61.34	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due to suppliers under MSMED Act, for payments already made	2.38	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	2.95	-

* The Company has received notice from Micro and Small Enterprises Facilitation Council based on application filed by one of the supplier "Indway Furnitures Manufacturing Company Private Limited" claiming Rs 10.11 Lakhs as additional payment for service rendered as per the work contract. The Company was not informed of the status of MSME by the supplier despite request from the Company and does not know the status whether the supplier is micro or small or medium enterprise under the Act. However there are no dues to the supplier and the company has disputed the liability and supplier's status as Micro, Small and Medium Enterprises. The Company is confident that no further liability will accrue to the Company on account of this. As a matter of prudence, the Company has provided interest under MSMED Act during the year.

35 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

(i) Operating lease commitments – Company as lessee

The Company has entered into leases for office premises and retail outlets. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases.

(ii) Taxes

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Company's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

35 Significant accounting judgements, estimates and assumptions *(Continued)*

(B) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

(ii) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are disclosed in Note 37.

(iii) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36.

(iv) Depreciation on property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by technical experts. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

36 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.

The expense recognised (net of reversal) for share options during the year is Rs. 37.16 lakhs (March 31, 2018: 7.33 lakhs). There are no cancellations or modifications to the awards in March 31, 2019 or March 31, 2018.

The grant wise information is as below:

Grant	Date of Grant	Number of options granted	Vesting period	Manner of vesting
Grant 3, 4, 5 & 6	April 14, 2014	3,81,772	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	September 25, 2014	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	July 17, 2015	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.

Notes to the standalone financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

36 Employee stock option plans *(continued)*

Grant	Date of Grant	Number of options granted	Vesting period	Manner of vesting
Grant 10	February 9, 2016	9,600	01-Apr-2017 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	June 30, 2016	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.
Grant 12	March 21, 2018	10,200	01-Apr-2019 to 01-Apr-2021	Eligible on a graded manner over three years period with 30% of the grants vesting at the end of 12 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24 months from the date of grant and 36 months from the date of grant respectively.
Grant 13	March 21, 2018	3,000	01-Apr-2019 to 01 to Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019 The remaining 60% of the grants vest at the end of 24 months from the date of grant.
Grant 14	March 21, 2018	3,600	01-Apr-2019 to 01 to Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019 The remaining 60% of the grants vest at the end of 24 months from the date of grant.
Grant 15	March 21, 2018	5,000	01-Apr-19	100% of the grants will vest on April 1, 2019.
Grant 16	March 21, 2018	1,500	01-Apr-19	100% of the grants will vest on April 1, 2019.
Grant 17	October 31, 2018	5,000	01-Nov-2019 to 01 Nov-2020	Eligible on a graded manner over 2 years period with 50% of the grants vesting at the end of 12 months starting from November 1, 2019 The remaining 50% of the grants vest at the end of 24 months from the date of grant.
Grant 18	October 31, 2018	10,000	01-Nov-2019 to 01 Nov-2022	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 1, 2019.
Grant 19	February 12, 2019	12,000	01-Apr-2020 to 01-Apr-2022	Eligible on a graded manner over three years period with 33.33% of the grants vesting at the end of every 12 months starting from April 1, 2020.

Activity in the options outstanding under 'ESOS 2014':

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Outstanding at the beginning of the year	192,523	315,426
Options lapsed during the year	(13,100)	(11,780)
Option granted during the year	27,000	23,300
Options exercised during the year	(18,445)	(134,423)
Outstanding at the end of the year	187,978	192,523
Exercisable at the end of the year	139,378	139,592

The weighted average share price at the date of exercise of the options was Rs. 714.38/- (Face value Rs. 5/- per share).

The range of exercise prices for options outstanding at the end of the year was Rs. 103 to Rs 807.50 (March 31, 2018: Rs 103 to Rs 807.50).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 is in the range of 1.04 to 4.51 years (March 31, 2018: 1.04 to 4.51 years).

The following tables list the inputs to the models used for ESOS 2014 for the years ended March 31, 2019 and March 31, 2018, respectively:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Exercise price per share for the options granted during the year (Rs.)	399.55 to 453.45	140.83 to 807.50
Weighted average fair value per share (Rs.)	453.45	807.50
Weighted average fair value of options granted	429.49	292.93
Expected volatility	37.62% to 39.54%	10.12%
Life of the options granted (Vesting and exercise period in years)	3.51 to 6.51 Years	3.50 to 6.50 Years
Average risk free interest rate	7.08% to 8.05%	7.13% to7.89%
Expected dividend yield	0.33% to 0.38%	0.00%

37 Employee benefits

Defined Contribution Plans - General Description

Provident Fund & other funds:

During the year, the Company has recognised Rs. 931.14 lakhs (March 31, 2018 - Rs. 858.93 lakhs) as contribution to provident fund and other funds in the Statement of Profit and Loss (included in Contribution to Provident and Other Funds in Note 25).

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

37 Employee benefits *(continued)*

Other long-term employee benefits - General Description

Leave Encashment:

Each employee is eligible to get one earned leave for each completed month of service but entitlement arises only on completion of first year of service. Encashment of entitled leave is allowed only on separation subject to maximum accumulation of up to 24 days.

Defined Benefit Plans - General Description

Gratuity:

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 Rs 20 lakhs. The plan assets are in the form of corporate bond in the name of "Matrimony.com Limited Group Gratuity Trust" with Reliance Nippon Life Insurance Company Limited.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet:

Statement of profit and loss:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Recognized in profit or loss:		
Current service cost	74.82	57.61
Net interest income on benefit obligation / assets	3.31	9.60
Past service cost	-	27.81
	78.13	**95.02**
Recognized in other comprehensive income:		
Re-measurement losses arising from changes in financial and demographic assumptions	95.58	92.32
	95.58	**92.32**
Net benefit expense	**173.71**	**187.34**

Plan liability / (asset) are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	651.24	538.36
Fair value of plan assets	(473.00)	(443.85)
Plan liability / (asset) - (net)	**178.24**	**94.51**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation at the beginning of the year	538.36	391.24
Current service cost	74.82	57.61
Past service cost	-	27.81
Interest cost	34.02	23.88
Re-measurement losses on obligation	65.90	85.53
Benefits paid	(61.86)	(47.71)
Closing defined benefit obligation	**651.24**	**538.36**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	443.85	4.06
Expected return on plan assets	30.68	14.28
Contributions	90.00	480.00
Benefits paid	(61.86)	(47.71)
Re-measurement losses on plan assets	(29.67)	(6.78)
Fair value of plan assets at the end of the year	**473.00**	**443.85**
The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:		
Discount rate	6.59%	6.70%
Expected rate of return on assets	6.59%	6.70%
Salary escalation	8.00%	8.00%
Employee turnover	60.00%	60.00%

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

37 Employee benefits *(continued)*

The overall expected rate of return on assets is determined based on 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, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous years, the Company expects to contribute Rs. 178 lakhs to the gratuity fund in the next year. However, the actual contribution by the Company will be based in the actuarial valuation report received from the insurance Group.

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity plan

Particulars	As at March 31, 2019	As at March 31, 2018
Investments details:		
Funds with Reliance Nippon Life Insurance Company Limited	473.00	443.85
Total	**473.00**	**443.85**

These funds have been invested into corporate bonds and money market funds, consequently the Company is not exposed to any equity market risks.

A quantitative sensitivity analysis for significant assumption is shown below:

Gratuity plan:

Assumptions	March 31, 2019					
	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(3.93)	4.00	5.03	(4.98)	(1.10)	1.12

Assumptions	March 31, 2018					
	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(3.31)	3.40	4.27	(4.20)	(12.60)	12.60

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation:

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
Within the next 12 months (next annual reporting period)	367.20	298.22
Between 1 and 5 years	328.22	278.04
Between 5 and 10 years	13.93	12.21
Total expected payments	**709.35**	**588.47**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.0 years (March 31, 2018: 1.8 years)

38 Commitment and Contingencies

(a) Capital commitments (net of advances and deposit)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital commitments (net of advances and deposit)	37.51	35.01

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

38 Commitment and Contingencies *(continued)*

(b) Leases

Operating lease commitments — Company as lessee

Office premises (including retail outlets) 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 9 years.

Particulars	As at March 31, 2019	As at March 31, 2018
Lease payments recognised in the statement of profit and loss	1,910.53	1,779.03
Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:		
Within one year	1,767.84	1,002.73
After one year but not more than five years	3,586.90	2,591.14
More than five years	900.58	663.34
	6,255.32	**4,257.21**

(c) Other commitments:

Voluntary contribution by Promoter:

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.

During the previous year, the Company's subsidiary completed the settlement / payment process in respect of a litigation and based on a call made by the Company, the Promoter paid an agreed sum of Rs. 1,281.91 lakhs ($ 2,000,000) towards his voluntary contribution to the Company under an Inter Se Agreement between the Company including certain subsidiaries and its directors and the Promoter. As the amount involved is significant, the related income has been disclosed as exceptional item in the financial statements for the year ended March 31, 2018.

(d) Other Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Additional liability due to Payment of Bonus Act Retrospective Amendment	Refer note (i) below	Refer note (i) below
FEMA non-compliance	Refer note (ii) below	Refer note (ii) below
Income tax	Refer note (iii) below	Refer note (iii) below
Consumer litigations	Refer note (iv) below	-
Interest pertaining to Provident Fund demand	Refer note (v) below	-

Note:

(i) During the year 2016-17, 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. 55.00 lakhs. 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) In earlier years, the Company and its wholly owned overseas subsidiary had made certain remittances aggregating to USD 0.04 lakhs 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.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

38 Commitment and Contingencies *(continued)*

(iii) a. The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2008-09 and 2009-10 with additions 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. 1,032.96 lakhs, 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 appeal with High Court. Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceeding would be favourable.

b. The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2014-15 and 2015-16 with additions in relation to the disallowance of online marketing expenses paid to vendors outside India aggregating to Rs. 520.06 lakhs, due to non-deduction of withholding taxes on the same. The Company is in the process of filing the appeal with Income Tax Appellate Tribunal (ITAT) on dismissal of its appeal with CIT (Appeals). Management believes that the ultimate outcome of this proceedings would be favourable.

(iv) Liabilities arising out of legal cases filed against the company in various courts/ consumer redressal forums, consumer courts, disputed by the Company aggregates to Rs. 139.00 lakhs.

(v) Interest obligation on Provident Fund demand raised by Employee Provident Fund Organisation are estimated to be Rs.124.34 lakhs. Based on its assessment, management believes that the Company's liability in this regard is likely to be possible and accordingly has disclosed the same as contingent liability. (also refer note 21).

39 Related party disclosures

(a) Names of related parties

Relationship	Names of related parties
Subsidiaries	Sys India Private Limited, India
	Consim Info USA Inc., USA
	Community Matrimony Private Limited, India (till February 13, 2019)
	Matchify Services Private Limited, India (till February 13, 2019)
	Tambulya Online Marketplace Private Limited, India (till February 13, 2019)
	Matrimony DMCC, Dubai (from October 11, 2018)
Enterprises owned or significantly influenced by key management personnel or their relatives	India Property Online Private Limited, India (till December 11, 2018)
Investor having significant influence	CMDB II (till September 19, 2017)
	Infonauts Inc., USA
	Mayfield XII, Mauritius (till September 19, 2017)
Key Management Personnel (KMP)	Mr. Murugavel Janakiraman, Managing Director
	Mr. K Balasubramanian, Chief Financial Officer (till December 14, 2018)
	Mr. Sushanth S Pai, Chief Financial Officer (from December 15, 2018)
	Mr. S Vijayanand , Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman
	Mrs. Deepa Murugavel
Independent directors	Mr. Milind Shripad Sarwate
	Mr. George Zacharias
	Mr. Chinni Krishnan Ranganathan
	Mrs. Akila Krishnakumar

Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the years ended March 31, 2019 and March 31, 2018, the Company has not recorded any impairment of receivables (excluding investment made in equity shares) relating to amounts owed by Related Parties (Refer Note 12 and Note 19(a) for Trade Receivables and Trade Payables respectively).

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

39 Related party disclosures *(continued)*

b. Transactions with related parties:

	Subsidiaries		Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested		Independent Directors		Key Management Personnel (KMP)		Relatives of Key Management Personnel	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Advertisement										
- Sys India Private Limited	20.08	19.04	-	-	-	-	-	-	-	-
- Consim Info USA Inc.	23.21	-	-	-	-	-	-	-	-	-
Expenses made by related parties on behalf of Company										
- Sys India Private Limited	371.36	324.00	-	-	-	-	-	-	-	-
- Consim Info USA Inc.	213.91	-	-	-	-	-	-	-	-	-
Agency commission income										
- Sys India Private Limited	16.80	16.80	-	-	-	-	-	-	-	-
Business license fee										
- Consim Info USA Inc.	17.91	1,555.04	-	-	-	-	-	-	-	-
- Matrimony DMCC	33.44	-	-	-	-	-	-	-	-	-
Guarantee fee income										
- Consim Info USA Inc.	-	3.75	-	-	-	-	-	-	-	-
Investment in subsidiary during the year										
- Matrimony DMCC	10.17	-	-	-	-	-	-	-	-	-
Loans and advances to related parties										
- Matrimony DMCC	54.85	-	-	-	-	-	-	-	-	-
Interest income										
- Matrimony DMCC	2.13	-	-	-	-	-	-	-	-	-
Compensation of KMPs & relative of KMPs										
Short term employee benefits*	-	-	-	-	-	-	309.42	360.87	10.70	10.12
Share based payment expenses	-	-	-	-	-	-	0.44	3.02	-	-
Dividend paid to KMPs & relative of KMPs										
Dividend paid	-	-	-	-	-	-	171.46	-	0.06	-
Remuneration and Dividend to Independent Directors										
Sitting fees	-	-	-	-	56.00	36.00	-	-	-	-
Dividend paid	-	-	-	-	0.75	-	-	-	-	-

* 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.

Notes to the standalone financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

39 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	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As a March 31, 2018	As at March 31, 2019	As at March 31, 2018
Loans and advances						
- Matrimony DMCC	55.78	-	-	-	-	-
- Sys India Private Limited	67.60	-	-	-	-	-
Trade payables						
- Sys India Private Limited	-	22.14	-	-	-	-
Trade receivables						
- Consim Info USA Inc.	56.57	229.10	-	-	-	-
- Matrimony DMCC	38.57	-	-	-	-	-

40 Segment reporting

For management purposes, the Company's operations are organised into two major segments - Matchmaking services and Marriage services and related sale of products

Matchmaking services—The Company offers online matchmaking services on internet and mobile platforms. Matchmaking services are delivered 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.

Marriage services—The Company has introduced MatrimonyPhotography.com, Matrimonybazar.com and Matrimonymandap.com to provide wedding photography, videography services and allied marriage services respectively.

The Management Committee headed by Managing Director consisting of Chief Financial Officer and Heads of Departments have identified the above two reportable business segments. The committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Segment Revenue		
External sales		
- Matchmaking services	32,712.21	29,184.76
- Marriage services and related sale of products	1,264.98	1,636.56
Total Revenue	**33,977.19**	**30,821.32**
Segment Expenses		
Employee benefits expense		
- Matchmaking services	11,910.59	11,185.26
- Marriage services and related sale of products	1,546.95	1,566.11
Advertisement and business promotion expense		
- Matchmaking services	7,928.71	5,115.06
- Marriage services and related sale of products	193.68	477.26
Other expenses		
- Matchmaking services	5,357.46	4,915.07
- Marriage services and related sale of products	945.08	1,260.93
Depreciation and amortisation expense		
- Matchmaking services	677.48	659.94
- Marriage services and related sale of products	85.81	68.92
B. Segment Results		
- Matchmaking services	6,837.97	7,309.43
- Marriage services and related sale of products	(1,506.54)	(1,736.67)
Total	**5,331.43**	**5,572.76**

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

40 Segment reporting *(continued)*

Reconciliation of profit	March 31, 2019	March 31, 2018
Segment profit	**5,331.43**	**5,572.76**
Unallocable expenses (net of unallocable revenue)	1,564.22	1,196.14
Other finance costs	7.92	125.99
Finance income	(1,395.45)	(639.01)
Exceptional items	-	(1,281.92)
Profit before tax	**5,154.74**	**6,171.56**

Particulars	March 31, 2019	March 31, 2018
C. Segment Assets		
- Matchmaking services	3,329.23	2,927.69
- Marriage services and related sale of products	391.31	516.11
Unallocable assets	7,179.38	14,127.22
Other assets held for investing activities	19,892.38	7,370.45
Income taxes	305.58	1,955.05
Total Assets	**31,097.88**	**26,896.52**
D. Segment Liabilities		
- Matchmaking services	9,396.04	7,238.86
- Marriage services and related sale of products	451.83	484.92
- Unallocable	715.13	1,854.57
Total Liabilities	**10,563.00**	**9,578.35**
E. Capital Expenditure		
- Matchmaking services	766.77	365.55
- Marriage services and related sale of products	47.66	179.99
- Unallocable	1,104.49	4,753.83
Total Capital Expenditure	**1,918.92**	**5,299.37**
F. Depreciation / Amortisation		
- Matchmaking services	677.48	659.94
- Marriage services and related sale of products	85.81	68.92
- Unallocable	342.34	228.29
Total Depreciation / Amortisation	**1,105.63**	**957.15**
G. Non-cash items other than Depreciation / Amortisation		
- Matchmaking services	10.19	41.85
- Marriage services and related sale of products	71.83	218.83
- Unallocable	(46.55)	72.74
Total Non-cash items other than Depreciation / Amortisation	**35.47**	**333.42**

Revenue from external customers

Particulars	March 31, 2019	March 31, 2018
Segment Revenue		
- India	29,877.03	28,796.10
- Outside India	4,100.16	2,025.22
Total Revenue	**33,977.19**	**30,821.32**

The revenue information above is based on the location of the customers

Non current operating assets

Particulars	March 31, 2019	March 31, 2018
- India	7,561.56	6,760.75
- Outside India	-	-
Total	**7,561.56**	**6,760.75**

Non-current assets for this purpose consists of property, plant and equipment and intangible assets

Other disclosures

Particulars	March 31, 2019	March 31, 2018
Capital expenditure	1,918.92	5,299.37

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 Company delivers matchmaking services to its users in India and the Indian diaspora through its websites, mobile sites and mobile apps complemented by our on-the-ground network in India. Therefore revenue from none of the customers exceeds 10% of Company's total revenue.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

41 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values. The management assessed that the cash and cash equivalents, trade receivables, trade payables, fixed deposits, bank overdrafts and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

Particulars	Fair value measurement using				
	Date of valuation	Total Book Value	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value					
FVTPL financial investments:					
Unquoted mutual funds	March 31, 2019	13,675.01	13,675.01	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Particulars	Fair value measurement using				
	Date of valuation	Total Book Value	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value					
FVTPL financial investments:					
Unquoted mutual funds	March 31, 2018	7,372.85	7,372.85	-	-

42 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise bank overdraft and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash, security deposits, investments and fixed term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by its risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, trade payables, FVTPL investments and receivables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

Other than overdraft facilities maintained with HDFC Bank which are secured against our bank deposit, the Company do not have any credit facilities from any banks or financial institutions. As a result, changes in interest rates are not likely to substantially affect our business or results of operations.

Interest rate sensitivity

The Company's overdraft balance has resulted in cash surplus amounting to Rs. 315.49 lakhs as at March 31, 2019. Consequent to this, Company does not have any risk of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an expenses will fluctuate because of change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a foreign currency) and the Company's net investment in foreign subsidiary.

The majority of the Company's revenue and expenses are in Indian Rupees, however significant percentage of revenue are denominated in US dollars. Hence the Company has entered into forwarded contract to protect its cash flow in US dollars. Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar (refer note 43).

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

42 **Financial risk management objectives and policies** *(Continued)*

The Impact of unhedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD and AED rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2019	5%	7.32	7.32
	-5%	(7.32)	(7.32)
March 31, 2018	**5%**	**17.95**	**17.95**
	-5%	**(17.95)**	**(17.95)**

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. In the matchmaking segment, the Company collects the money upfront, hence there is no credit risk. With respect to marriage services segment the Company collects only part of the consideration as an advance before the performance of services, thus exposed to credit risks. Credit quality of a customer cannot be assessed as the Company is largely in to Business to Customer (B2C) model, however the Company through its established policy, procedures and control relating to credit risk management manages the credit risk. An impairment analysis is performed at each reporting date and the Company has a provisioning policy for making provision on receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Risk Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 20,208.62 lakhs and 16,789.65 lakhs as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks, fixed term deposits with banks, investment in mutual funds and other financial assets excluding equity investments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's prime source of liquidity is cash and cash equivalent and the cash generated from operations. In addition, Company has overdraft facility with HDFC bank. The Company invests its surplus funds in bank, fixed deposits and mutual funds, which carry minimal mark to market risks.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

INR in lakhs

	On demand	Less than 1 year	1 to 3 years	> 3 years	Total
As at March 31, 2019					
Overdraft	-	-	-	-	-
Provisions	-	606.10	-	-	606.10
Trade and other payables		2,130.94	-	-	2,130.94
	-	**2,737.04**	**-**	-	**2,737.04**
As at March 31, 2018					
Overdraft	641.47	-	-	-	641.47
Provisions	-	468.41	39.64	-	508.05
Trade and other payables	-	1,751.48	-	-	1,751.48
	641.47	**2,219.89**	**39.64**	**-**	**2,901.00**

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

43 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 42.

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Company is holding the following foreign exchange and forward contracts:

	Maturity					
	Less than 1 month	1 to 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Total
As at March 31, 2019:						
Foreign exchange forward contracts (highly probable forecast sales) (USD)	3,00,000	6,00,000	9,60,000	8,20,000	1,50,000	28,30,000
Notional amount (in INR lacs)	211.99	426.11	695.84	601.15	110.82	2,045.91
Average forward rate (INR/USD)	70.66	71.02	72.48	73.31	73.88	72.29

The impact of the hedging instruments on the balance sheet is, as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffective-ness for the period
As at March 31, 2019:				
Foreign exchange forward contracts	2,045.91	2,100.13	Financial Assets	54.22

The effect of the cash flow hedge in the statement of profit and loss and other comprehensive income is, as follows:

	Total hedging gain/(loss) recognised in OCI	Amount reclassified from OCI to profit or loss
Year ended March 31, 2019:		
Net movement on cash flow hedge reserve	54.22	-
Year ended March 31, 2018:		
Net movement on cash flow hedge reserve	-	-

The Impact of hedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity	Effect on OCI
March 31, 2019	5%	-	-	102.29
	-5%	-	-	(102.29)
March 31, 2018	5%	-	-	-
	-5%	-	-	-

44 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Notes to the standalone financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

44 Capital management *(Continued)*

	As at March 31, 2019	As at March 31, 2018
Non-current provisions	-	39.64
Other non-current liabilities	38.10	30.31
Borrowings	-	641.47
Trade payables	2,086.31	1,706.21
Other payables	44.63	45.27
Other current liabilities	7,787.86	6,569.24
Current provisions	606.10	468.41
Less: cash and cash equivalents	(315.49)	(1,303.60)
Net debt	**10,247.51**	**8,196.95**
Equity	20,387.17	17,230.93
Total capital	20,387.17	17,230.93
Capital and net debt	**30,634.68**	**25,427.88**
Gearing ratio	**33%**	**32%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018

45 Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 Lease

(i) Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

(ii) Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

(iii) The Company intends to adopt these standards from 1st April 2019. The Company is evaluating the effect of the above on its financial statements.

Ind AS 12 - Uncertainty in Tax Treatment

(i) Appendix C in Ind AS 12 is effective from 1st April 2019 and it set out the principles on recognition and measurement principle when there is uncertainty over income tax treatments. An entity shall evaluate whether it is probable that the tax authority shall accept an uncertain tax treatment. If it is probable, the tax base shall be consistent with that of the items used in its income tax filings. If not probable, the Company shall reflect the effect of uncertainty by using either the most likely amount method or expected value method. If the uncertain tax treatment affects current and deferred tax, the entity shall make consistent judgement and estimates for current and deferred tax.

(ii) The amendments are effective only from 1st April 2019. The Company is in the process of evaluating the changes and reliable estimate of the quantitative impact will be possible on completion of the study.

Ind AS 19 - Employee Benefits

Ind AS 19 has been amended to factor the impact relating to benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement in determining the past service cost, current service cost and net interest cost or income. The amendments are effective from 1st April 2019. Since Company's current practice is in line with the clarification issued, the Company does not expect any effect on its financial statements.

Notes to the standalone financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

Ind AS 12 - Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

46 Initial public offering of equity shares

The Company has completed the Initial Public Offer (IPO) of 5,102,151 equity shares of Rs. 5 each at an issue price of Rs. 985 per share consisting of fresh issue of 1,334,897 equity shares and an offer for sale of 3,767,254 equity shares by selling shareholders. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from September 21, 2017.

Particulars	As per prospectus	Revised	Utilized up to March 31, 2018	Unutilized as at March 31, 2018
Advertising and business promotion activities	2,000.00	2,000.00	2,000.00	-
Purchase of land for construction of office premises in Chennai	4,257.90	4,257.90	4,254.50	3.40
Repayment of overdraft facilities	4,334.30	4,334.30	4,334.30	-
General corporate purposes	1,564.40	1,630.30	1,633.70	(3.40)
Total	**12,156.60**	**12,222.50**	**12,222.50**	**-**

The Company has incurred Rs. 2,989.62 lakhs as IPO related expenses as at March 31, 2018 as against the original estimate of Rs. 3,210.87 lakhs as per Prospectus. These IPO related expenses have been allocated between the Company and the selling shareholders in proportion to the equity shares allotted to the public as fresh issue by the Company and under the offer for sale by selling shareholders in the IPO. The Company's revised share of total IPO expenses is Rs. 777.55 lakhs as against the original estimate of Rs. 843.36 lakhs as per the Prospectus, and the unspent amount of Rs. 65.81 lakhs has been utilised against General Corporate purposes. The total IPO related expenses attributable to the Company of Rs. 777.55 lakhs has been adjusted against securities premium. The revised amounts and the details of the utilization of IPO proceeds as at March 31, 2018 has been presented above. The Company utilised the savings on purchase of land amounting to Rs. 3.40 lakhs, towards "General Corporate Purposes". On an overall basis the entire proceeds from IPO has been fully utilised as at March 31, 2018.

47 Acquisition of Second Shaadi.com

The Company entered into a business transfer agreement and domain transfer agreement dated March 1, 2018 with Accentium Web Private Limited for the purchase of Second Shaadi.com along with the related assets, liabilities, rights and obligations, for a consideration of Rs. 110.00 lakhs. The summary of assets and liabilities as at the date of acquisition is as below:

Assets	Amount
Domain (Note 3)	111.09
Computers (Note 3)	0.03
Cash at Bank	3.00
Total (A)	**114.12**
Liabilities	
Unearned Income	3.00
Trade payables	1.12
Total (B)	**4.12**
Net Assets (A-B)	**110.00**
Purchase consideration	110.00
Net cash acquired	3.00
Purchase consideration	(110.00)
Cash flow from acquisition	**(107.00)**

Note: The book value of assets and liabilities approximates the fair value, except for domain mentioned above which has been valued using discounted cash flow method.

This acquisition is not material to the financial statements of the Company.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

48 Events after the reporting period

Subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, the Board of Directors has recommended a final dividend of Rs. 1.50 per equity share of Rs. 5 each.

49 Previous year comparatives

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

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Matrimony.com Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS 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, 2019, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("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, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Accuracy and completeness of Matchmaking Revenue	
Matchmaking services revenues of the Group for the year ended March 31, 2019 constitutes significant percentage of the total revenue and majority of such revenues are generated through online services. The Group has processes and controls, many of them automated, to ensure that transactions are processed and recorded appropriately. Improper configuration of system or system generated reports could lead to material misstatement of revenues, accordingly in our audit we identified the above as a significant risk. Therefore, we considered this risk to be a key audit matter in our audit of the financial statements for year ended March 31, 2019.	As an audit response to address this matter, we performed a walkthrough to gain an understanding of the revenue process (including the compliance with revenue recognition requirements of Ind AS 115) to develop an appropriate audit strategy and performed following procedures: • Involved IT specialists to test relevant IT general controls, application controls and appropriateness of system generated reports; • Tested relevant manual and IT dependent controls relating to revenue process in the including the controls relating to data migration between operational system and financial accounting system; • Tested the completeness and accuracy of the data extracted from the aforesaid systems and performed recalculations to verify the appropriateness of revenue recognized (including cut off procedures);

Key audit matters	How our audit addressed the key audit matter
	• Tests of details for the sample revenue transactions; • Assessed the reconciliation of unearned revenue and collections performed by the management and performed sample tests on the same; • Read the accounting policies for revenue recognition in the financial statements; • Read the disclosures made by the management in the financial statements; and • Performed analytical procedures over disaggregated data of revenue transactions during the audit period to identify any unusual trends / patterns warranting additional audit procedures.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the Group 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of Rs. 558.68 lakhs as at March 31, 2019, and total revenues of Rs. 967.08 lakhs and net cash outflows of Rs. 133.11 lakhs for the year ended on that date. These Ind AS 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 Ind AS 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 report(s) of such other auditors.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report 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 purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;

(b) In our opinion, proper books of account as 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, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 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 with reference to these Consolidated Ind AS Financial Statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report. Based on the information and explanation provided to us, the Company's subsidiaries incorporated in India are exempted from reporting on internal financial controls over financial reporting vide MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

   i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 36 to the Consolidated Ind AS Financial Statements;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

   iii. 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 during the year ended March 31, 2019.

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

per Aravind K
Partner
Membership Number: 221268
Place: Chennai
Date: May 9, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MATRIMONY.COM LIMTED

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Matrimony.com Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Matrimony.com Limited (hereinafter referred to as the "Holding Company") as of that date. The Holding Company's subsidiaries incorporated in India are exempted from reporting on internal controls over financial reporting vide MCA notification no. G.S.R. 583 (E) dated June 12, 2017, read with corrigendum dated July 13, 2017.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company 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 with reference to these Consolidated Ind AS Financial Statements 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 with reference to these Consolidated Ind AS Financial Statements 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 over financial reporting with reference to these Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements, 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 over financial reporting with reference to these Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A Company's internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements 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 with reference to these Consolidated Ind AS Financial Statements 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 With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements, 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 with reference to these Consolidated Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements 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 has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements were operating effectively as at March 31, 2019, 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.

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

per Aravind K
Partner
Membership No.: 221268
Place: Chennai
Date: May 9, 2019

Consolidated Balance Sheet as at March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,272.23	6,245.43
Intangible assets	3	305.58	515.62
Intangible assets under development		4.74	2.37
Financial assets			
(a) Security deposits	4	811.52	1,010.49
(b) Bank balances other than cash and cash equivalents	6	0.75	0.75
Deferred tax assets (net)	12	190.46	280.61
Income tax assets (net)		340.22	393.66
Other non-current assets	10	318.20	333.95
		9,243.70	**8,782.88**
Current assets			
Financial assets			
(a) Security deposits	4	388.90	282.98
(b) Cash and cash equivalents	5	542.42	1,663.64
(c) Bank balances other than cash and cash equivalents	6	6,217.37	8,112.46
(d) Investments	9	13,675.01	7,372.85
(e) Trade receivables	11	347.99	376.00
(f) Derivative instruments		54.22	-
(g) Other financial assets	8	410.11	292.21
Other current assets	10	546.50	447.01
		22,182.52	**18,547.15**
TOTAL ASSETS		**31,426.22**	**27,330.03**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,136.47	1,135.55
Other equity	14		
(a) Securities premium account		12,539.84	12,502.66
(b) Retained earnings		6,831.25	2,991.37
(c) Share based payment reserve		112.44	87.24
(d) Foreign currency translation reserve		33.78	48.10
(e) Cash flow hedge reserve		35.27	-
Equity attributable to equity holders of the parent		**20,689.05**	**16,764.92**
TOTAL EQUITY	**A**	**20,689.05**	**16,764.92**
Non-current liabilities			
Other non-current liabilities	17	38.10	30.31
Provisions	18	-	39.64
		38.10	**69.95**
Current liabilities			
Financial liabilities			
(a) Borrowings	15	-	641.47
(b) Trade payables	16(a)		
(i) Total outstanding dues of micro enterprises and small enterprises		2.95	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,105.87	1,793.72
(c) Others payables	16(b)	62.65	45.27
Other current liabilities	17	7,900.33	7,468.49
Provisions	18	610.71	468.41
Liabilities for current tax (net)		16.56	77.80
		10,699.07	**10,495.16**
TOTAL LIABILITIES	**B**	**10,737.17**	**10,565.11**
TOTAL EQUITY AND LIABILITIES	**(A+B)**	**31,426.22**	**27,330.03**

Summary of significant accounting policies 2.1

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

As per our report of even date.

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers	19	34,842.75	33,544.49
Other income	21	165.36	6.93
Total income		**35,008.11**	**33,551.42**
Expenses			
Employee benefits expense	22	14,148.06	13,288.98
Advertisement and business promotion expenses	25	8,103.83	5,603.20
Other expenses	26	7,084.10	6,892.92
Total expenses		**29,335.99**	**25,785.10**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)		**5,672.12**	**7,766.32**
Depreciation and amortisation expense	23	1,108.24	957.45
Finance costs	24	9.48	153.20
Finance income	20	1,393.32	637.66
Profit before exceptional items and tax		**5,947.72**	**7,293.33**
Exceptional items	27	-	(1,281.92)
Profit before tax		**5,947.72**	**8,575.25**
Tax expense			
- Current income tax	12	1,568.71	1,287.38
- Current tax relating to earlier years		6.81	-
- Deferred tax (net)		60.27	(98.39)
Total tax expense		**1,635.79**	**1,188.99**
Profit for the year (I)		**4,311.93**	**7,386.26**
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain / (loss) on defined benefit obligations		(95.58)	(92.32)
Income tax effect		33.40	32.26
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		**(62.18)**	**(60.06)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedge reserve		54.22	-
Exchange difference on translation of foreign operations		(14.31)	10.26
Income tax effect		(18.95)	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		**20.96**	**10.26**
Other comprehensive income for the year, net of tax (A+B) (II)		**(41.22)**	**(49.80)**
Total comprehensive income for the year, net of tax (I + II)		**4,270.71**	**7,336.46**
Net Profit for the year attributable to:		**4,311.93**	**7,386.26**
- Owners of the Company		4,311.93	7,386.26
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:		**4,270.71**	**7,336.46**
- Owners of the Company		4,270.71	7,336.46
- Non-controlling interests		-	-
Earnings per share of INR 5 each	30		
Basic earnings per share		18.97	33.61
Diluted earnings per share		18.89	33.40

Summary of significant accounting policies 2.1

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

As per our report of even date.

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

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

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Aravind K
Partner
Membership No: 221268

Sushanth S Pai
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Place: Chennai
Date : May 9, 2019

Place: Chennai
Date : May 9, 2019

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

a. **Equity share capital:**

Equity shares of INR 5 each issued, subscribed and fully paid	No. of shares	Amount
As at April 1, 2017	**2,12,41,591**	**1,062.08**
Issue of equity shares (Note 13)	**14,69,320**	**73.47**
As at March 31, 2018	2,27,10,911	1,135.55
Issue of equity shares (Note 13)	18,445	0.92
As at March 31, 2019	**2,27,29,356**	**1,136.47**

b. **Other equity**

For the year ended March 31, 2019

Particulars	Securities premium reserve (Note 14)	Retained earnings (Note 14)	Share-based payments reserve (Note 14)	Items of OCI: Foreign currency translation reserve (Note 14)	Items of OCI: Cash flow hedge reserve (Note 14)	Total other equity
As at April 1, 2018	**12,502.66**	**2,991.37**	**87.24**	**48.10**	**-**	**15,629.37**
Profit for the year	-	4,311.93	-	-	-	4,311.93
Other comprehensive income (Note 29)	-	(62.18)	-	(14.32)	35.27	(41.23)
Total comprehensive income	**-**	**4,249.75**	**-**	**(14.32)**	**35.27**	**4,270.70**
Exercise of share options (Note 34)	37.18	-	(10.91)	-	-	26.27
Share based payment expenses (Note 22)	-	-	37.16	-	-	37.16
Transferred from share-based payments reserve upon lapse of vested stock options	-	1.05	(1.05)	-	-	-
Cash dividends (including dividend distribution tax)	-	(410.92)	-	-	-	(410.92)
As at March 31, 2019	**12,539.84**	**6,831.25**	**112.44**	**33.78**	**35.27**	**19,552.58**

For the year ended March 31, 2018

Particulars	Securities premium reserve (Note 14)	Retained earnings (Note 14)	Share-based payments reserve (Note 14)	Items of OCI: Foreign currency translation reserve (Note 14)	Items of OCI: Cash flow hedge reserve (Note 14)	Total other equity
As at April 1, 2017	**171.20**	**(4,338.62)**	**115.62**	**37.84**	**-**	**(4,013.96)**
Profit for the year	-	7,386.26	-	-	-	7,386.26
Other comprehensive income (Note 29)	-	(60.06)	-	10.26	-	(49.80)
Total comprehensive income	**-**	**7,326.20**	**-**	**10.26**	**-**	**7,336.46**
Exercise of share options (Note 34)	175.75	-	(31.91)	-	-	143.83
Amounts utilised toward share issue expenses (Note 45)	(777.55)	-	-	-	-	(777.55)
Issue of share capital (Note 13 & 45)	12,933.26	-	-	-	-	12,933.26
Share based payment expenses (Note 22)	-	-	7.33	-	-	7.33
Transferred from share-based payments reserve upon lapse of vested stock options	-	3.79	(3.80)	-	-	-
As at March 31, 2018	**12,502.66**	**2,991.37**	**87.24**	**48.10**	**-**	**15,629.37**

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

As per our report of even date.

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Consolidated Statement of Cash flows for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from / (used in) operating activities			
Profit before exceptional items and tax		5,947.72	7,293.33
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	23	1,108.24	957.45
Impact of fair value changes of interest free security deposits (net)		0.96	3.47
Reversal of excess interest provision on income tax		(3.62)	-
Loss on sale/ write-off of property, plant and equipment (net)	26	7.35	1.77
Unrealised foreign exchange (gain) / loss		(11.76)	17.16
Impairment of financial assets	26	79.46	124.59
Share based payment expenses	22	37.16	7.33
Liabilities no longer required written back		(28.48)	-
Interest expense	24	3.36	149.56
Income from mutual fund investments	20	(723.98)	(122.85)
Interest income	20	(604.22)	(456.48)
Operating profit before working capital changes		**5,812.19**	**7,975.33**
Movement in working capital :			
(Increase) / decrease in financial assets		102.85	(442.14)
(Increase) / decrease in other assets		(149.83)	707.69
Increase / (decrease) in trade payables		313.96	292.79
Increase / (decrease) in other liabilities		468.11	1,397.30
Increase / (decrease) in long / short term provisions		7.11	(360.78)
Cash generated from / (used in) operations		6,554.40	9,570.19
Income taxes paid (net of refunds)		(1,535.37)	(1,309.15)
Net cash generated from / (used in) operating activities before exceptional items		5,019.03	8,261.04
Cash flow from / (used in) Exceptional items		-	(634.53)
Net cash flow from / (used in) operating activities (A)		**5,019.03**	**7,626.51**
Cash flow from / (used in) investing activities			
Purchase of property, plant and equipment including intangible assets		(1,922.46)	(5,394.20)
Proceeds from sale of property, plant and equipment		5.16	5.98
Proceeds from sales of mutual funds		8,171.82	-
Purchase of mutual funds		(13,750.00)	(7,247.60)
Interest received		490.20	543.38
Redeemption of bank deposits (with maturity more than three months)		8,112.46	4,112.84
Investment in bank deposits (with maturity more than three months)		(6,217.37)	(7,013.21)
Net cash flow / (used in) investing activities (B)		**(5,110.19)**	**(14,992.81)**
Cash flows from / (used in) financing activities			
Proceeds from issue of share capital (including securities premium)		27.17	12,373.02
Dividend paid (Including dividend distribution tax)		(410.92)	-
Repayment of borrowings		(641.47)	(3,811.74)
Interest paid		(3.36)	(122.62)
Net cash flow from / (used in) financing activities (C)		**(1,028.58)**	**8,438.66**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,119.74)**	**1,072.36**
Cash received on business acquisition of business	46	-	3.00
Effect of exchange differences on cash & cash equivalents held in foreign currency		(1.48)	(0.09)
Cash and cash equivalents at the beginning of the year		1,663.64	588.37
Cash and cash equivalents at the end of the year (refer note 5)		**542.42**	**1,663.64**

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

As per our report of even date.

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

Notes to the consolidated financial statements for the year ended March 31, 2019

1. Corporate information

The consolidated financial statements comprise financial statements of Matrimony.com Limited (the 'Company') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2019. Matrimony.com Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Group offers online matchmaking services on internet and mobile platforms. The Group 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 Group has expanded into marriage services such as Mandap & Mbazaar, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Group also provides photography and videography services to the customers in Tamil Nadu, Kerala, Karnataka and Telangana. The sources are primarily lead obtained from wedding card printers, profiles which are matched and referrals.

On September 21, 2017, the Company listed its equity shares with National Stock Exchange of India and Bombay Stock Exchange of India. The registered office of the Company is located at No: 94, TVH Beliciaa Towers, MRC Nagar, Mandaveli, Chennai - 600028.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2019.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities are measured at fair value (refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in INR (its functional currency) and all values are rounded to the nearest lakhs, except where otherwise indicated.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares,

Notes to the consolidated financial statements for the year ended March 31, 2019

for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3. Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of services, the Group has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

Notes to the consolidated financial statements for the year ended March 31, 2019

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, where applicable. Any trade discounts and rebates are deducted in arriving at the purchase price. The Group 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 Group 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 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 residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) 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, based on management estimates.

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 treated as changes in accounting estimates.

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.

d) Depreciation and amortisation

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.

Notes to the consolidated financial statements for the year ended March 31, 2019

e) Leases

Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. 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 recognised as an expense in the statement of profit and loss on a straight line basis over the lease term except where the increase in lease rental payment is in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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 non-financial assets

The Group 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 Group 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 fair value less costs of disposal, 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) Revenue from contracts with customers and other income

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

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 goods & 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 franchisee 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.

Revenue from other marriage related services are recognized as and when the services are rendered.

Interest income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Notes to the consolidated financial statements for the year ended March 31, 2019

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange of services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

i) Foreign currency transactions

The Group's financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency

Transaction and Balances.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

j) 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.

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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.

Notes to the consolidated financial statements for the year ended March 31, 2019

k) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

l) Taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Notes to the consolidated financial statements for the year ended March 31, 2019

n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a 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 its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) 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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

p) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Notes to the consolidated financial statements for the year ended March 31, 2019

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that

Notes to the consolidated financial statements for the year ended March 31, 2019

there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements

Notes to the consolidated financial statements for the year ended March 31, 2019

of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as cash flow hedges (forward currency contracts) to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. Refer to Note 41 for more details.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated cash flows, cash and cash equivalents consist of cash and short-term deposits.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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.

Notes to the consolidated financial statements for the year ended March 31, 2019

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 39 for segment information presented.

v) Cash dividend and non-cash distribution to equity holders of the Company

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are not significant.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the full retrospective method of adoption. The effect of the transition on the current period is not significant.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

3 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	Land (refer note b)	Vehicles	Total	Web domain	Portal development	Software	Total
Cost as at April 1, 2017	**1,744.99**	**290.06**	**77.68**	**142.33**	**97.89**	**-**	**99.35**	**2,452.30**	**165.11**	**17.61**	**793.19**	**975.91**
Additions (refer note c)	515.19	95.62	10.23	18.19	135.63	4,359.66	-	5,134.52	111.09	-	57.11	168.20
Translation differences	0.03	0.01	0.02	0.01	-	-	-	0.07	-	-	-	-
Disposals	(9.94)	(2.67)	(1.00)	(3.00)	(2.07)	-	-	(18.68)	-	-	-	-
As at March 31, 2018	**2,250.27**	**383.02**	**86.93**	**157.53**	**231.45**	**4,359.66**	**99.35**	**7,568.21**	**276.20**	**17.61**	**850.30**	**1,144.11**
Additions	1,455.82	86.19	45.75	287.58	-	-	-	1,875.34	40.13	-	22.61	62.74
Translation differences	(0.50)	0.65	(0.77)	-	-	-	-	(0.62)	-	-	-	-
Disposals	(40.72)	(29.36)	(32.03)	(29.52)	(11.03)	-	-	(142.66)	-	-	-	-
As at March 31, 2019	**3,664.87**	**440.50**	**99.88**	**415.59**	**220.42**	**4,359.66**	**99.35**	**9,300.27**	**316.33**	**17.61**	**872.91**	**1,206.85**
Depreciation/Amortisation as at April 1, 2017	**423.54**	**101.77**	**28.96**	**81.14**	**24.99**	**-**	**15.25**	**675.65**	**32.86**	**5.81**	**290.36**	**329.03**
Charge for the year	461.39	80.11	23.10	39.47	38.69	-	15.23	657.99	34.73	5.81	258.92	299.46
Translation differences	0.03	0.01	0.02	0.01	-	-	-	0.07	-	-	-	-
Disposals	(5.55)	(1.35)	(0.99)	(2.32)	(0.72)	-	-	(10.93)	-	-	-	-
Depreciation/Amortisation as at March 31, 2018	**879.41**	**180.54**	**51.09**	**118.30**	**62.96**	**-**	**30.48**	**1,322.78**	**67.59**	**11.62**	**549.28**	**628.49**
Charge for the year	587.35	90.54	39.90	53.54	48.92	-	15.21	835.46	79.08	1.45	192.25	272.78
Translation differences	(0.02)	-	(0.03)	-	-	-	-	(0.05)	-	-	-	-
Disposals	(39.67)	(27.56)	(31.76)	(23.51)	(7.65)	-	-	(130.15)	-	-	-	-
As at March 31, 2019	**1,427.07**	**243.52**	**59.20**	**148.33**	**104.23**	**-**	**45.69**	**2,028.04**	**146.67**	**13.07**	**741.53**	**901.27**
Net Block												
As at April 1, 2017	**1,321.45**	**188.29**	**48.72**	**61.19**	**72.90**	**-**	**84.10**	**1,776.65**	**132.25**	**11.80**	**502.83**	**646.88**
As at March 31, 2018	**1,370.86**	**202.48**	**35.84**	**39.23**	**168.49**	**4,359.66**	**68.87**	**6,245.43**	**208.61**	**5.99**	**301.02**	**515.62**
As at March 31, 2019	**2,237.80**	**196.98**	**40.68**	**267.26**	**116.19**	**4,359.66**	**53.66**	**7,272.23**	**169.66**	**4.54**	**131.38**	**305.58**

(a) The amount of borrowing costs capitalised during the year ended 31 March 2019 was Rs Nil (March 31, 2018: Rs Nil: April 1, 2017: Rs Nil).

(b) On October 11, 2017, the Group executed a sale deed for purchase of land amounting to Rs.3,890.90 lakhs by utilizing the IPO proceeds. The Group additionally incurred Rs.434.52 lakhs and Rs. 34.24 lakhs towards stamp duty and legal expenses & brokerage respectively, which has been capitalized along with the cost of the land.

(c) Additions to Computers and Network Equipment and web domain for the year ended March 31, 2018 includes Rs 0.03 lakhs of computers and Rs. 111.09 lakhs of domain acquired consequent to acquisition of business of Second Shaadi.com. Also refer note 46.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
4	**Security deposits**		
	(at amortised cost)		
	Non-current		
	Security deposits		
	Considered good	811.52	1,010.49
	Considered doubtful	22.90	13.62
		834.42	1,024.11
	Less: impairment allowance on deposits	22.90	13.62
		811.52	**1,010.49**
	Current		
	Security deposits		
	Considered good	388.90	282.98
		1,200.42	**1,293.47**
5	**Cash and cash equivalents**		
	Balances with banks on current accounts	488.88	736.37
	Deposits with original maturity of less than three months	-	856.14
	Cheques on hand	15.44	24.66
	Cash on hand	38.10	46.47
		542.42	**1,663.64**
6	**Bank balances other than cash and cash equivalents**		
	(at amortised cost)		
	Non-current		
	Deposits with original maturity for more than 12 months	0.75	0.75
	Current		
	Deposits with original maturity of more than 3 months but less than 12 months *	6,217.37	8,112.46

* The Group has pledged Rs. 1,000 lakhs as on March 31, 2019 (Rs. 1,000 lakhs as on March 31, 2018) of its deposits along with the applicable accrued interest on the said fixed deposits to fulfill collateral requirements.

Fixed deposits earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

		As at March 31, 2019	As at March 31, 2018
7	**Derivative instruments**		
	(at fair value)		
	Cash flow hedges - Foreign exchange forward contracts	54.22	-
8	**Other financial assets**		
	(at amortised cost)		
	Interest accrued on fixed deposits	329.68	215.67
	Loans to employees		
	Considered good	37.13	34.98
	Considered doubtful	3.87	3.38
		41.00	38.36
	Less: impairment allowance	3.87	3.38
		37.13	34.98
	Other receivables from related parties (refer note 37)	43.30	40.27
	Others	-	1.29
		410.11	**292.21**

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		As at March 31, 2019	As at March 31, 2018
9	**Investments (at fair value through profit and loss)**		
	Investment in Mutual funds		
	3,92,664.51 units (March 31, 2018: Nil units) Aditya Birla Sun Life Money Manager Fund Growth	982.75	-
	31,002.11 units (March 31, 2018: Nil units) UTI-Liquid Cash Plan – IP Growth	945.18	-
	2,14,178.17 units (March 31, 2018: Nil units) ICICI Prudential Savings Fund Growth	768.00	-
	69,384.44 units (March 31, 2018: Nil units) L&T Liquid Growth	1,771.11	-
	16,423.83 units (March 31, 2018: Nil units) HDFC Liquid Fund Growth	600.93	-
	49,30,686.57 units (March 31, 2018: Nil units) Kotak Savings Fund Regular Growth	1,477.22	-
	2,46,706.31 units (March 31, 2018: Nil units) Aditya Birla Sun Life Liquid Fund Growth	737.33	-
	4,868.82 units (March 31, 2018: Nil units) SBI Magnum Ultra Short Duration Fund Growth	201.81	-
	11,814.06 units (March 31, 2018: Nil units) Tata Treasury Advantage Fund Direct Growth	339.23	-
	68,035.98 units (March 31, 2018: Nil units) TATA Liquid Fund - Direct Plan - Growth	2,003.28	-
	76,666.63 units (March 31, 2018: Nil units) Invesco India Liquid Fund - Direct Plan - Growth	1,972.20	-
	90,877.30 (March 31, 2018: 86,165.39 units) Axis liquid fund daily dividend	1,875.97	862.86
	Nil units (March 31, 2018: 9,12,971.81 units) Aditya birla sun life floating rate fund short term plan daily dividend	-	913.74
	Nil units (March 31, 2018: 8,04,379.47 units) ICICI prudential liquid weekly dividend	-	806.69
	Nil units (March 31, 2018: 9,45,938.82 units) Aditya birla sun life floating rate long term - daily dividend	-	953.54
	Nil units (March 31, 2018: 94,88,612.82 units) HDFC floating rate income fund short term plan wholesale dividend reinvestment daily	-	956.54
	Nil units (March 31, 2018: 9,51,579.48 units) ICICI prudential flexible income daily dividend	-	1,006.16
	Nil units (March 31, 2018: 94,183.42 units) Kotak low duration fund regular plan weekly dividend	-	957.59
	Nil units (March 31, 2018: 53,56,401.30 units) Reliance medium term fund - daily dividend plan	-	915.73
	Aggregate book value of unquoted current investments	**13,675.01**	**7,372.85**
	Aggregate amount of book value unquoted investments	13,675.01	7,372.85
	Aggregate provision for impairment allowance in value of investments	-	-
	Aggregate amount of fair value unquoted investments	13,675.01	7,372.85
10	**Other assets**		
	Other non-current assets		
	Capital advances	18.87	8.33
	Prepaid expenses	230.26	252.13
	Balances with Statutory / Government authorities	69.07	73.49
		318.20	**333.95**
	Other current assets		
	Prepaid expenses	331.05	211.21
	Balances with Statutory / Government authorities	126.71	51.29
	Advances for supply and services	88.75	184.51
		546.51	**447.01**
11	**Trade receivables**		
	(unsecured and at amortised cost)		
	Trade receivables		
	- Considered good	347.99	376.00
	- Significant increase in credit risk	75.03	113.15
		423.02	**489.15**
	Less: Significant increase in credit risk	75.03	113.15
		347.99	**376.00**

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are due immediately.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

12 Deferred tax assets (net)

Nature - Asset / (Liability)	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
Minimum alternative tax credit entitlement (MAT credit)	152.34	149.96
Additional MAT credit entitlement recognised during the year	-	2.38
Less: Utilised during the year	152.34	-
	-	152.34
Deferred tax assets	232.83	191.94
Deferred tax liabilities	(42.37)	(63.67)
Deferred Tax Asset (net)	**190.46**	**280.61**
Reconciliation of deferred tax Asset (net)		
Opening balance	280.61	149.96
Tax income/(expense) during the year in Profit and Loss*	47.74	96.01
Tax income/(expense) during the year in OCI	14.45	32.26
MAT credit entitlement for the year	(152.34)	2.38
Closing balance	**190.46**	**280.61**
*** Reconciliation of Tax income/(expense) during the year in Profit and Loss**		
Tax income/(expense) during the year in Profit and Loss	**(60.27)**	**98.39**
MAT credit entitlement for the year	6.27	(2.38)
Tax income/(expense) relating to earlier years	101.74	-
	47.74	**96.01**

	Balance sheet		Profit and loss		OCI	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liability						
Impact of difference between written down value of property plant and equipment in books for financial reporting and tax books	-	63.67	-	63.67	-	-
Impact of Fair value gain on mutual funds at fair value through profit or loss	23.42	-	23.42	-	-	-
Impact of unrealised gain on cash flow hedge	18.95	-	-	-	18.95	-
Gross deferred tax liability	**42.37**	**63.67**	**23.42**	**63.67**	**18.95**	**-**
Deferred tax asset						
MAT credit	-	152.34	-	-	-	-
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	138.68	146.08	(40.81)	113.82	33.40	32.26
Impairment allowance (doubtful debts and advances)	27.57	40.72	(13.15)	40.72	-	-
Provision for deposits	8.00	4.76	3.24	4.76	-	-
Impact of Difference between written down value of property, plant and equipment in books for financial reporting and tax books	58.20	-	121.87	-	-	-
Others	0.38	0.38	-	0.38	-	-
Gross deferred tax asset	**232.83**	**344.28**	**71.16**	**159.68**	**33.40**	**32.26**
Net deferred tax asset / (deferred tax liability)	**190.46**	**280.61**	**47.74**	**96.01**	**14.45**	**32.26**

The loss of subsidiary as at March 31, 2019 is ₹ 43.02 (March 31, 2018: ₹ 1,250.34 lakhs). No deferred tax assets have been recognised with respect to losses pertaining to subsidiaries. The losses pertaining to subsidiaries closed as at March 31, 2019 amounts to ₹ Nil (March 31, 2018: ₹ 709.55 lakhs).

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

At 31 March 2019, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. The Group has an agreement with its subsidiaries that the profits of the subsidiaries will not be distributed until it obtains the consent of the Group.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

13 Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised shares		
3,60,00,000 Equity shares of Rs.5/- each (March 31, 2018: 3,60,00,000 Equity shares of Rs.5/- each)	1,800.00	1,800.00
42,00,000 (March 31, 2018: 42,00,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each	210.00	210.00
Issued, subscribed and fully paid-up equity shares		
2,27,29,356 Equity shares of Rs.5/- each (March 31, 2018: 2,25,94,698 Equity shares of Rs.5/- each)	1,136.47	1,135.55
	1,136.47	**1,135.55**

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

Equity shares

	March 31, 2019		March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	2,27,10,911,	1,135.55	2,12,41,591	1,062.08
Issued during the year (refer note 45)	-	-	13,34,897	66.75
Issued during the year - ESOP (refer note 34)	18,445	0.92	1,34,423	6.72
Outstanding at the end of the year	**2,27,29,356**	**1,136.47**	**22,710,911**	**1,135.55**

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

Equity shares of ₹5/- each fully paid

Name of shareholder	March 31, 2019		March 31, 2018	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	1,14,28,766	50.28%	1,14,28,766	50.32%
CMDB II	33,66,415	14.81%	33,66,415	14.82%
Mayfield XII, Mauritius	23,78,488	10.46%	23,78,488	10.47%
HDFC Trustee Company Limited (HDFC Prudence Fund)	-	-	19,62,977	8.64%
Nalanda India Equity Fund Limited	21,23,500	9.34%	-	-

* 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.

(d) 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				
	2018	2017	2016	2015	2014
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Re 1/- each) (refer note (i)	-	-	-	106.50	-
Subsequently consolidated into equity shares of Rs. 3/- each (refer note (ii))	-	-	-	63.90	-
Securities premium utilised for Bonus Shares issued on conversion of CCPS (refer note (iii))	-	138.90	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

13 Share Capital *(Continued)*

(i) 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 74.69 lakhs 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 244.82 lakhs for the issue of said bonus shares.

(ii) In Extraordinary General Meeting held on August 5, 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.

(iii) On August 10, 2016, the Company converted 63,85,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 138.90 lakhs for the conversion

(e) 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 34.

(f) During the year ended March 31, 2019, the Company has not issued shares for consideration other than cash

14 Other equity

	As at March 31, 2019	As at March 31, 2018
Securities premium account		
Opening balance	12,502.66	171.20
Add: issue of share capital (refer note 45)	-	12,933.26
Add: exercise of stock options	37.18	175.75
Less: transaction costs on issue of shares (Note 45)	-	(777.55)
Closing balance	**12,539.84**	**12,502.66**
Retained earnings		
Opening balance	2,991.37	(4,338.62)
Profit for the year	4,311.93	7,386.26
Re-measurement gain/(loss) on defined benefit plans (net of tax impact) (refer note 29)	(62.18)	(60.06)
Add: transferred from share-based payments reserve upon lapse of stock options	1.05	3.79
Less: Cash dividend (including dividend distribution tax)*	(410.92)	-
Closing balance	**6,831.25**	**2,991.37**
*** Distribution made and proposed**		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2019: Rs Nil per share (31 March 2018: Rs 1.5 per share)	340.86	-
Dividend distribution tax	70.06	-
	410.92	**-**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2019: Rs 1.5 per share (31 March 2018: Rs 1.5 per share)	340.94	340.86
Dividend distribution tax	70.08	70.06
	411.02	**410.92**
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31.		
Share-based payments reserve		
Opening	87.24	115.62
Addition during the year	37.16	7.33
Less: transferred to security premium on exercise of stock options	(10.91)	(31.91)
Less: transferred to retained earnings upon lapse of stock options	(1.05)	(3.80)
Closing balance	**112.44**	**87.24**

Notes to the consolidated financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

14 Other equity *(Continued)*

	As at March 31, 2019	As at March 31, 2018
Foreign currency translation reserve		
Opening	48.10	37.84
Addition during the year	(14.32)	10.26
Closing balance	**33.78**	**48.10**
Cash flow hedge reserve		
Opening balance	-	-
Addition during the year	35.27	-
Closing balance	**35.27**	**-**
Total other equity	**19,552.58**	**15,629.37**

15 Borrowings (at amortised cost)

	Effective interest rate (%)	As at March 31, 2019	As at March 31, 2018
Current			
Bank overdraft (secured)*	8.15%	-	641.47
Total		**-**	**641.47**

* The company maintains overdraft facility with HDFC bank which is repayable on demand and the Company's overdraft balance as at March 2019 is Nil. 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. 1,000 lakhs along with the applicable accrued interest on the said fixed deposits have been lien marked in favour of the Bank. The change in the borrowings from April 1, 2018 to March 31, 2019 represents the repayment of borrowings and there are no other cash flow / non-cash changes.

		As at March 31, 2019	As at March 31, 2018
16	**Trade & other payables (at amortised cost)**		
(a)	**Trade payables**		
	Current		
	Trade payables (refer note 31)	1,624.02	1,177.29
	Dues to employees	484.80	616.43
		2,108.82	**1,793.72**
(b)	**Other payables**		
	Current		
	Payables for capital purchases	62.65	45.27
		62.65	**45.27**

Trade payables and other payables are generally non-interest bearing and is in the range of 0 to 3 months.

For Group's credit risk management process refer note 41.

17	**Other liabilities**		
	Non-current		
	Deferred revenue	38.10	30.31
		38.10	**30.31**
	Current		
	Deferred revenue	7,172.59	6,515.40
	Advances from customers	179.60	147.15
	Withholding and other taxes payable	548.14	805.94
		7,900.33	**7,468.49**

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

18 Provisions

	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for employee benefits		
Provision for gratuity (refer note 35)	-	39.64
	-	**39.64**
Current		
Provision for employee benefits		
- Provision for gratuity (refer note 35)	180.22	54.88
- Provision for leave benefits	250.01	219.75
Other provisions		
Provision for litigations (refer note below)	180.49	193.78
	610.72	**468.41**
Provision for litigations:		
The movement of provision for litigation during the period is given below:		
Opening balance	193.78	193.78
Additions	-	-
Utilisation / payment	(13.29)	-
Closing balance	**180.49**	**193.78**

(a) Service tax: The Company had made provision of Rs.13.29 lakhs for certain disputed liabilities relating to service tax in the earlier years and the same was utilised for discharging the liability by accepting the order of the Customs Excise and Service Tax Appellate Tribunal (CESTAT).

(b) Employees' Provident Fund (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 Provident Fund (PF) contribution for the period April 2012 to May 2014. As a matter of prudence the Company has provided for the demand of Rs. 162.91 lakhs and other related liabilities of Rs. 17.58 lakhs. Honourable Supreme Court has issued an order dated February 28, 2019, in a matter similar to the case involving the company as detailed above. There are numerous interpretative issues relating to this judgement. The Company has made a related provision based on legal advice received and management's evaluation and best estimate as at March 31, 2019. Further, the Company is complying with the SC order prospectively and will update its provision on receiving further clarity on the subject.

19 Revenue from contracts with customers

	Year ended March 31, 2019	Year ended March 31, 2018
Income from services	40,513.39	38,660.43
Less : taxes collected from customers	(5,670.64)	(5,115.94)
	34,842.75	**33,544.49**
Disaggregated revenue information		
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
Type of service:		
Match making services	33,577.77	31,907.93
Marriage services	1,264.98	1,636.56
Total revenue from contracts with customers	**34,842.75**	**33,544.49**
Geographical revenue:		
India	29,802.47	28,876.78
Outside India	5,040.28	4,667.71
Total revenue from contracts with customers	**34,842.75**	**33,544.49**
Timing of Revenue recognition:		
Service transferred at a point in time	1,164.14	1,298.94
Services transferred over time	33,678.61	32,245.55
Total Revenue from contracts with customers	**34,842.75**	**33,544.49**

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

19 Revenue from contracts with customers *(Continued)*

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Contract balances			
Trade receivables	347.99	376.00	215.66
Contract assets	-	-	-
Contract liabilities	7,390.30	6,692.86	5,910.48

Contract liabilities include long-term and short-term advances received to deliver subscriptions services. The outstanding balances of these accounts increased due to the continuous increase in the Group's customer base.

	As at March 31, 2019	As at March 31, 2018
Set out below is the amount of revenue recognised from:		
Amounts included in contract liabilities at the beginning of the year	6,538.72	5,713.23
Performance obligations satisfied in previous years	-	-

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

Due to Group's nature of business and the type of contracts entered with the customers, the Group does not have any difference between the amount of revenue recognized in the statement of profit and loss and the contracted price.

Performance obligation

Information about the Group's performance obligations are summarised below:

Matchmaking services

The performance obligation is satisfied over the period of subscription ranging from 1 to 24 months and the payment is collected upfront.

Marriage services

Marriage services consist of Photography services, MatrimonyMandap services and MatrimonyBazaar services.

– Photography services

The performance obligation is satisfied upon occurrence of the photography event / delivery of video footage or photo album as per the contract with customers. The Group collects some portion of the selling price as an advance which differs from case to case basis, however there are no significant financing component in these contracts.

– Matrimony Bazaar services

The primary performance obligation under Matrimony bazaar services contract is to provide leads to the contracted customer and the charges per lead is deducted against the advance collected from the customer. The Group also charges a fixed fee for other services provided under the contract for which the performance obligation is satisfied over the period of the contract. There are no significant financing component in these contracts.

– Matrimony Mandap Services

The performance obligation under Matrimony mandap services contract is to secure booking of mandap and the Group collects commission upon each successful booking.

There are no significant return / refund / other obligations for any of the above mentioned services.

	Year ended March 31, 2019	Year ended March 31, 2018
20 Finance income		
Interest income from:		
- Bank deposits	593.36	454.92
- Interest Income on Rental deposit	65.12	58.32
- Interest on loan	10.86	1.57
Income from mutual fund investments	723.98	122.85
	1,393.32	**637.66**
21 Other income		
Liabilities no longer required written back*	28.48	-
Government contribution to employee provident fund**	122.88	-
Miscellaneous income	14.00	6.93
	165.36	**6.93**

* The provision recognised earlier for services as per agreement has been evaluated by the Group and determined as no longer required. Hecne the same was recognised as other income.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
21	**Other income** *(Continued)*		
**	**Government grants**		
	At April 1	-	-
	Received during the year	122.88	-
	Released to the statement of profit and loss	(122.88)	-
	At March 31	**-**	**-**

Government grant have been received under Pradhan Mantri Rojgar Protsahan Yojna ('PMRPY') scheme for incentivising employers for generation of new employments.

		Year ended March 31, 2019	Year ended March 31, 2018
22	**Employee benefit expense**		
	Salaries, wages and bonus	12,649.31	11,833.39
	Contribution to provident and other fund	933.00	860.69
	Gratuity expense (refer note 35)	80.16	95.02
	Share based payment expenses	37.16	7.33
	Staff welfare expenses	388.53	356.36
	Recruitment and training	59.90	136.19
		14,148.06	**13,288.98**
23	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	835.46	657.99
	Amortisation of intangible assets	272.78	299.46
		1,108.24	**957.45**
24	**Finance cost**		
	Bank charges	6.12	3.64
	Interest	3.36	149.56
		9.48	**153.20**
25	**Advertisement and business promotion expenses**		
	Advertisement	7,508.57	4,974.53
	Business promotion expenses	595.26	628.67
		8,103.83	**5,603.20**
26	**Other expenses**		
	Web hosting charges	651.65	630.14
	Electricity	535.42	523.73
	Rent and amenities	1,920.10	1,784.54
	Rates and taxes	13.59	29.10
	Insurance	68.23	61.70
	Repairs and maintenance - others	629.41	571.94
	Travelling and conveyance	314.39	306.40
	Communication costs	688.07	733.63
	Printing and stationery	30.94	31.54
	Legal and professional fees #	631.40	393.21
	Directors' sitting fees	56.00	36.00
	Exchange differences (net)	8.63	27.92
	Impairment allowance on financial assets	187.27	218.83
	Less: Bad debts written off	(107.81)	(94.24)
	Impairment allowance on financial assets (net)	79.46	124.59
	Loss on sale/ write off of property, plant and equipment (net)	7.35	1.77
	Collection charges	827.25	793.82
	Outsourced photography service charges	553.68	789.33
	CSR Expenses ##	1.80	1.55
	Miscellaneous expenses	66.73	52.01
		7,084.10	**6,892.92**

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
26	**Other expenses** *(Continued)*		
#	**Payment to auditor (Included under legal and professional fees)**		
	As auditor:		
	Audit fee	26.00	24.00
	Limited review	9.00	7.00
	Tax audit fee	1.00	1.00
	In other capacity:		
	IPO Certification	-	40.00
	Others (includes other certifications)	1.00	10.50
		37.00	**82.50**
	Less: grouped under "share issue expenses" (refer note 45)	-	(50.50)
		37.00	**32.00**
##	**Details of CSR Expenditure**		
	Gross amount required to be spend by the Group during the year	39.80	-
	Amount spent during the year ended on 31st March 2019:	**In Cash**	**Yet to be paid in cash**
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	1.80	**38.00**
	Amount spent during the year ended on 31st March, 2018:		
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	1.55	-
27	**Exceptional items**		
	Voluntary contribution from Promoter (refer note below and (36 (c))	-	(1281.92)

Note:

During the previous year, the Company's subsidiary completed the settlement / payment process in respect of a litigation and based on a call made by the Company, the Promoter paid an agreed sum of Rs. l,281.91 lakhs ($ 2,000,000) towards his voluntary contribution to the Company under an Inter Se Agreement between the Company including certain subsidiaries and its directors and the Promoter. As the amount involved is significant, the related income has been disclosed as exceptional item in the financial statements for the year ended March 31, 2018.

		Year ended March 31, 2019	Year ended March 31, 2018
28	**Income tax expense**		
	The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
	Profit or loss section		
	Current tax:		
	Current income tax charge	1,568.71	1,287.38
	Adjustments in respect of current income tax of previous year	6.81	-
	Deferred tax:		
	Relating to the origination and reversal of temporary differences	60.27	(98.39)
	Income tax expense reported in the statement of profit and loss	**1,635.79**	**1,188.99**
	Other comprehensive income (OCI) section		
	Net loss on re-measurement of defined benefit obligation	(14.45)	(32.26)
	Income tax charged to OCI	**(14.45)**	**(32.26)**
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:		
	The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows		
	Accounting Profit before income tax (A)	**5,947.72**	**8,575.25**
	Profit before income tax multiplied by standard rate of corporate tax in India of 34.944%	2,078.37	2,967.72
	Adjustments		
	Non-deductible expenses	0.05	(16.24)
	Losses utilised on which deferred taxes were not recognised in earlier years (Note 12)	(404.81)	(1,507.25)
	Unrecognised deferred taxes on losses and certain temporary differences (net) arising during the year (Note 12)	15.03	6.02
	Difference in tax rates across jurisdictions	(11.30)	16.04
	Difference in income tax and deferred tax rates	-	1.57

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

		Year ended March 31, 2019	Year ended March 31, 2018
28	**Income tax expense** (*Continued*)		
	Tax allowances under Income Tax Act, 1961	(28.47)	(46.81)
	Deferred tax assets created in the current year relating to the earlier years (Note 12)	-	(222.63)
	Tax exempt income	(34.34)	(41.69)
		1,614.53	**1,156.73**
	Total tax expense reported in the statement of profit and loss	1,628.98	1,188.99
	Total tax expense / (income) reported in the other comprehensive income	(14.45)	(32.26)
	Total tax expense	**1,614.53**	**1,156.73**
	Reconciliation of total tax expenses		
	Income tax expense reported in the statement of profit and loss	1,635.79	1,188.99
	Less: Income tax charged to OCI	(14.45)	(32.26)
	Less: Tax expense relating to previous year	(6.81)	-
	Total tax expense	**1,614.53**	**1,156.73**
29	**Components of Other Comprehensive Income (OCI)**		
	The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
	Re-measurement loss on defined benefit plans (net of tax impact)	(62.18)	(60.06)
	Foreign exchange translation difference	(14.31)	10.26
	Unrealised gain on derivative contracts (net of tax impact)	35.27	-
		(41.22)	**(49.80)**
30	**Earnings Per Share (EPS)**		

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Profit after tax	4,311.93	7,386.26
Weighted average number of shares		
– Basic	2,27,26,189	2,19,78,181
Effect of dilution:		
(i) Share options	1,03,035	1,39,491
– Diluted	2,28,29,224	2,21,17,672
Earning per share of Rs.5.00/- each		
– Basic	18.97	33.61
– Diluted	18.89	33.40

31 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 Dues including interest to Micro and Small & Medium Enterprises as on March 31, 2019 are Rs 2.95 lakhs (March 31, 2018: Nil).*

The following are the break up of dues to Micro, small and Medium Enterprises:

Principle amount due to suppliers under MSMED Act	14.56	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.57	-
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	61.34	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due to suppliers under MSMED Act, for payments already made	2.38	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	2.95	-

* The Company has received notice from Micro and Small Enterprises Facilitation Council based on application filed by one of the supplier "Indway Furnitures Manufacturing Company Private Limited" claiming Rs 10.11 Lakhs as additional payment for service rendered as per the work contract. The Company was not informed of the status of MSME by the supplier despite request from the Company and does not know the status whether the supplier is micro or small or medium enterprise under the Act. However there are no dues to the supplier and the company has disputed the liability and supplier's status as Micro, Small and Medium Enterprises. The Company is confident that no further liability will accrue to the Company on account of this. As a matter of prudence, the Company has provided interest under MSMED Act during the year.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

32 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Group's management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimations that have been made by the management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(A) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

(i) Operating lease commitments – Group as lessee

The Group has entered into leases for office premises and retail outlets. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land and office premises and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases.

(ii) Taxes

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the management to estimate the level of tax that will be payable based upon the Group's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

In respect of other taxes which are in disputes, the management estimates the level of tax that will be payable based upon the Group's / expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 40 for further disclosures.

(B) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

32 Significant accounting judgements, estimates and assumptions *(Continued)*

(ii) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are disclosed in Note 35.

(iii) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

(iv) Depreciation on property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by technical experts. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

33 Group Information

Information about subsidiaries

The Financial Statements of the Group includes wholly owned subsidiaries listed in the table below:

Name	Principal activities	Country of incorporation	As at	
			March 31, 2019	March 31, 2018
Consim Info USA Inc., USA**	Matchmaking services	USA	100.00%	100.00%
Sys India Private Limited, India	Advertising services	India	100.00%	100.00%
Matrimony DMCC, Dubai, UAE#	Matchmaking services	UAE	100.00%	-
Community Matrimony Private Limited*	Online advertising services	India	100.00%	100.00%
Matchify Services Private Limited*	Match making related activities and services	India	100.00%	100.00%
Tambulya Online Marketplace Private Limited*	Sale of gift items and marriage related articles	India	100.00%	100.00%

* During the quarter ended March 31, 2019, the Company received an order from Registrar of Companies confirming the striking off and dissolution of these inactive companies under section 248(2) of the Companies Act, 2013 with effect from February 13, 2019. The results of these subsidiaries are included in the consolidated financial statements of the Group till the period ended March 31, 2018 and there were no operations in these companies post this date.

** Until March 31, 2018, the Group was managing its overseas business through its wholly owned subsidiary, Consim Info USA under a Business License agreement. With effect from April 1, 2018, the Group changed this arrangement to an Agency model, wherein the Consim Info USA Inc, will act as agent instead of a licensee.

The Company has incorporated an overseas wholly owned subsidiary "Matrimony DMCC" under the Registrar of Companies of Dubai Multi Commodities Centre Authority, Dubai on 30th July, 2018. The subsidiary commenced its operations during the year ended March 31, 2019 and the company has invested 50,000 AED towards equity investment and has granted an interest bearing loan of 2,85,000 AED, repayable within a year, to carry out the principal business operations.

34 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:

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

34 Employee stock option plans *(Continued)*

Exercise Period:

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

The expense recognised for share options during the year is Rs. 37.16 lakhs (March 31, 2018: 7.33 lakhs). There are no cancellations or modifications to the awards in March 31, 2019 or March 31, 2018.

The grant wise information is as below:

Grant	Date of Grant	Number of options granted	Vesting period	Manner of vesting
Grant 3, 4, 5 & 6	April 14, 2014	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	September 25, 2014	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	July 17, 2015	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	February 9, 2016	9,600	01-Apr-2017 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	June 30, 2016	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.
Grant 12	March 21, 2018	10,200	01-Apr-2019 to 01-Apr-2021	Eligible on a graded manner over three years period with 30% of the grants vesting at the end of 12 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24 months from the date of grant and 36 months from the date of grant respectively.
Grant 13	March 21, 2018	3,000	01-Apr-2019 to 01-Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019 The remaining 60% of the grants vest at the end of 24 months from the date of grant.
Grant 14	March 21, 2018	3,600	01-Apr-2019 to 01 Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019 The remaining 60% of the grants vest at the end of 24 months from the date of grant.
Grant 15	March 21, 2018	5,000	1-Apr-19	100% of the grants will vest on April 1, 2019.
Grant 16	March 21, 2018	1,500	01-Apr-19	100% of the grants will vest on April 1, 2019.
Grant 17	October 31, 2018	5,000	01-Nov-2019 to 01 Nov-2020	Eligible on a graded manner over 2 years period with 50% of the grants vesting at the end of 12 months starting from November 1, 2019 The remaining 50% of the grants vest at the end of 24 months from the date of grant.
Grant 18	October 31, 2018	10,000	01-Nov-2019 to 01 Nov-2022	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 1, 2019.
Grant 19	February 12, 2019	12,000	01-Apr-2020 to 01-Apr-2022	Eligible on a graded manner over three years period with 33.33% of the grants vesting at the end of every 12 months starting from April 1, 2020.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

34 Employee stock option plans *(continued)*

Activity in the options outstanding under 'ESOS 2014':

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Outstanding at the beginning of the year	192,523	315,426
Options lapsed during the year	(13,100)	(11,780)
Option granted during the year	27,000	23,300
Options exercised during the year	(18,445)	(134,423)
Outstanding at the end of the year	187,978	192,523
Vested at the end of the period	139,378	135,882
Exercisable at the end of the year	139,378	139,592

The weighted average share price at the date of exercise of the options was Rs. 714.38/- (Face value Rs. 5/- per share).

The range of exercise prices for options outstanding at the end of the year was Rs. 103 to Rs 807.50 (March 31, 2018: Rs 103 to Rs. 807.50).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 is in the range of 1.04 to 4.51 years. (March 31, 2018: 1.04 to 4.51 years).

The following tables list the inputs to the models used for ESOS 2014 for the years ended March 31, 2019 and March 31, 2018, respectively:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Exercise price per share for the options granted during the year (Rs.)	399.55 to 453.45	140.83 to 807.50
Weighted average fair value per share (Rs.)	453.45	807.50
Weighted average fair value of options granted	429.49	292.93
Expected volatility	37.62% to 39.54%	10.12%
Life of the options granted (Vesting and exercise period in years)	3.51 to 6.51 Years	3.50 to 6.50 Years
Average risk free interest rate	7.08% to 8.05%	7.13% to7.89%
Expected dividend yield	0.33% to 0.38%	0.00%

35 Employee benefits

Defined contribution plans - General description

Provident fund & other funds:

During the year, the Group has recognised Rs. 933.00 lakhs (March 31, 2018 - Rs. 860.69 lakhs) as contribution to provident fund and other funds in the Statement of Profit and Loss (included in Contribution to Provident and Other Funds in Note - 22).

Other long-term employee benefits - General description

Leave Encashment:

Each employee is eligible to get one earned leave for each completed month of service but entitlement arises only on completion of first year of service. Encashment of entitled leave is allowed only on separation subject to maximum accumulation of up to 24 days.

Defined Benefit Plans - General Description

Gratuity:

The Group 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 Rs. 20 lakhs. The plan assets are in the form of corporate bond in the name of "Matrimony.com Limited Group Gratuity Trust" with Reliance Nippon Life Insurance Company Limited.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and the amount recognised in the balance sheet:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Recognized in profit or loss:		
Current service cost	76.85	57.61
Net interest income on benefit obligation / assets	3.31	9.60
Past service cost	-	27.81
	80.16	**95.02**
Recognized in other comprehensive income:		
Re-measurement losses arising from changes in financial and demographic assumptions	95.58	92.32
	95.58	**92.32**
Net benefit expense	**175.74**	**187.34**

Notes to the consolidated financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

35 Employee benefits *(Continued)*

Particulars	As at March 31, 2019	As at March 31, 2018
Plan liability / (asset) are as follows:		
Defined benefit obligation	653.22	538.36
Fair value of plan assets	(473.00)	(443.85)
Plan liability / (asset) - (net)	**180.22**	**94.53**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation at the beginning of the year	538.36	391.24
Current service cost	76.80	57.61
Past service cost	-	27.81
Interest cost	34.02	23.88
Re-measurement losses on obligation	65.90	85.53
Benefits paid	(61.86)	(47.71)
Closing defined benefit obligation	**653.22**	**538.36**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	443.85	4.06
Expected return on plan assets	30.68	14.28
Contributions	90.00	480.00
Benefits paid	(61.86)	(47.71)
Re-measurement losses on plan assets	(29.67)	(6.78)
Fair value of plan assets at the end of the year	**473.00**	**443.85**
The principal actuarial assumptions used in determining gratuity obligation for the Group's plans are shown below:		
Discount rate	6.59%	6.70%
Expected rate of return on assets	6.59%	6.70%
Salary escalation	8.00%	8.00%
Employee turnover	60.00%	60.00%

The overall expected rate of return on assets is determined based on 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, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous years, the Group expects to contribute Rs. 178 lakhs to the gratuity fund in the next year. However, the actual contribution by the Group will be based in the actuarial valuation report received from the insurance company.

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity plan

Particulars	As at March 31, 2019	As at March 31, 2018
Investments details:		
Funds with Reliance Nippon Life Insurance Company Limited	473.00	443.85
Total	**473.00**	**443.85**

These funds have been invested into corporate bonds and money market funds, consequently the Group is not exposed to any equity market risks.

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Gratuity plan:

	March 31, 2019					
Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(5.91)	2.02	3.05	(6.96)	(3.08)	(0.86)

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

35 Employee benefits *(Continued)*

	March 31, 2018					
Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(3.31)	3.40	4.27	(4.20)	(12.60)	12.60

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Within the next 12 months (next annual reporting period)	367.20	298.22
Between 1 and 5 years	328.22	278.04
Between 5 and 10 years	13.93	12.21
Total expected payments	**709.35**	**588.47**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.0 years (March 31, 2018: 1.8 years)

36 Commitment and Contingencies

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	**Capital commitments (net of advances and deposit)**	**37.51**	**35.01**

(b) Leases

Operating lease commitments — Group as lessee

Office premises (including retail outlets) 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 from 10 months to 9 years.

Lease payments recognised in the statement of profit and loss	1,920.10	1,784.54
Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:		
Within one year	1,767.84	1,002.73
After one year but not more than five years	3,586.90	2,591.14
More than five years	900.58	663.34
	6,255.32	**4,257.21**

(c) Other commitments:

Voluntary contribution by Promoter:

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.

During the previous year, the Company's subsidiary completed the settlement / payment process in respect of a litigation and based on a call made by the Company, the Promoter paid an agreed sum of Rs. 1,281.91 lakhs ($ 2,000,000) towards his voluntary contribution to the Company under an Inter Se Agreement between the Company including certain subsidiaries and its directors and the Promoter. As the amount involved is significant, the related income has been disclosed as exceptional item in the financial statements for the year ended March 31, 2018.

(d) Other Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Additional liability due to Payment of Bonus Act Retrospective Amendment	Refer note (i) below	Refer note (i) below
FEMA non-compliance	Refer note (ii) below	Refer note (ii) below
Income tax	Refer note (iii) below	Refer note (iii) below
Consumer litigations	Refer note (iv) below	-
Interest pertaining to Provident Fund demand	Refer note (v) below	-

Notes to the consolidated financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

36 Commitment and Contingencies *(Continued)*

Note:

(i) During the year 2016-17, 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. 55.00 lakhs. 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) In earlier years, the Company and its wholly owned overseas subsidiary had made certain remittances aggregating to USD 0.04 lakhs 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.

(iii) (a) The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2008-09 and 2009-10 with additions 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. 1,032.96 lakhs, 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. Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceeding would be favourable.

(b) The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2014-15 and 2015-16 with additions in relation to the disallowance of online marketing expenses paid to vendors outside India aggregating to Rs. 520.06 lakhs, due to non-deduction of withholding taxes on the same. The Company is in the process of filing the appeal with Income Tax Appellate Tribunal (ITAT) on dismissal of its appeal with CIT (Appeals). Management believes that the ultimate outcome of this proceedings would be favourable.

(iv) Liabilities arising out of legal cases filed against the Group in various courts/ consumer redressal forums, consumer courts, disputed by the Company aggregates to Rs.130.00 lakhs.

(v) Interest obligation on Provident Fund demand raised by Employee Provident Fund Organisation are estimated to be Rs.124.34 lakhs. Based on its assessment , management believes that the Company's liability in this regard is likely to be possible and accordingly has disclosed the same as contingent liability. (also refer note 18).

37 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 (till December 11, 2018) Infonauts Inc., USA
Investor having significant influence	CMDB II (till September 19, 2017) Mayfield XII, Mauritius (till September 19, 2017)
Key management personnel (KMP)	Mr. Murugavel Janakiraman, Managing Director Mr. K Balasubramanian, Chief Financial Officer (till December 14, 2018) Mr. Sushanth Pai, Chief Financial Officer (from December 15, 2018) Mr. S Vijayanand , Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman Mrs. Deepa Murugavel
Independent directors	Mr. Milind Shripad Sarwate Mr. George Zacharias Mr. Chinni Krishnan Ranganathan Mrs. Akila Krishnakumar

Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2019 and March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 11 and Note 16 (a) for Trade Receivables and Trade Payables respectively).

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

37 Related party disclosures *(Continued)*

b. Transactions with related parties:

Particulars	Enterprises owned or significantly influenced by KMP/ Enterprises in which Directors are interested		Independent Directors		Key Management Personnel (KMP)		Relatives of Key Management Personnel	
	Year ended							
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Compensation of KMPs & relative of KMPs								
Short-term employee benefits*	-	-	-	-	309.42	360.87	10.70	10.12
SBP expenses	-	-	-	-	0.44	3.02	-	-
Dividend paid to KMPs & relative of KMPs								
Dividend paid	-	-	-	-	171.46	-	0.06	-
Remuneration and Dividend to Independent Directors								
Sitting fees	-	-	56.00	36.00	-	-	-	-
Dividend paid	-	-	0.75	-	-	-	-	-
Other financial assets								
- India Property Online Private Limited	43.30	40.27	-	-	-	-	-	-

* 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 Group as a whole.

38 Statutory Group Information

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Matrimony.com Limited								
Balance as at 31 March, 2019	99.20%	20,534.88	83.27%	3,590.19	64.61%	(26.91)	83.44%	3,563.28
Balance as at 31 March, 2018	103.29%	17,316.70	67.47%	4,983.83	120.60%	(60.06)	67.11%	4,923.77
Subsidiaries								
Indian								
1 Community Matrimony Private Limited								
Balance as at 31 March, 2019	-	-	-		-	-	-	-
Balance as at 31 March, 2018	-	-	-0.04%	(2.74)	-	-	-0.04%	(2.74)
2 Sys India Private Limited								
Balance as at 31 March, 2019	0.05%	9.71	0.04%	1.82	-	-	0.04%	1.82
Balance as at 31 March, 2018	0.05%	7.89	0.01%	0.59	-	-	0.01%	0.59
3 Matchify Services Private Limited								
Balance as at 31 March, 2019	-	-	-	-	-	-	-	-
Balance as at 31 March, 2018	-	-	-0.08%	(6.22)	-	-	-0.08%	(6.22)
4 Tambulya Online Marketplace Private Limited								
Balance as at 31 March, 2019	-	-	-	-	-	-	-	-
Balance as at 31 March, 2018	-	-	-0.11%	(8.42)	-	-	-0.11%	(8.42)
Foreign								
1 Consim Info USA Inc., USA								
Balance as at 31 March, 2019	0.91%	188.69	17.69%	762.94	35.39%	(14.59)	17.52%	748.34
Balance as at 31 March, 2018	-3.34%	(559.66)	32.75%	2,419.23	-20.60%	10.26	33.12%	2,429.49
2 Matirmony DMCC, Dubai, UAE								
Balance as at 31 March, 2019	-0.16%	(32.58)	-1.00%	(43.02)	0.00%	0.28	-1.00%	(42.74)
Balance as at 31 March, 2018	NA	NA	NA	NA	NA	NA	NA	NA

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

39 Segment reporting

For management purposes, the Group's operations are organised into three segments - Matchmaking services, Marriage services and related sale of products and others

Matchmaking services - The Group offer online matchmaking services on internet and mobile platforms. Matchmaking services are delivered 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.

Marriage services- The Group has introduced MatrimonyPhotography.com, Matrimonybazar.com and Matrimonymandap.com to provide wedding photography, videography services and allied marriage services respectively.

The Management Committee headed by Managing Director consisting of Chief Financial Officer and Heads of Departments have identified the above three reportable business segments. The committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Segment Revenue		
External sales		
- Matchmaking services	33,577.77	31,907.93
- Marriage services and related sale of products	1,264.98	1,636.56
- Others	-	-
Total Revenue	**34,842.75**	**33,544.49**
Segment Expenses		
Employee benefits expense		
- Matchmaking services	11,965.05	11,199.45
- Marriage services and related sale of products	1,546.95	1,566.11
- Others	-	-
Advertisement and business promotion expense		
- Matchmaking services	7,910.15	5,125.91
- Marriage services and related sale of products	193.68	477.26
- Others	-	-
Other expenses		
- Matchmaking services	5,359.99	5,144.82
- Marriage services and related sale of products	945.11	1,271.63
- Others	-	6.12
Depreciation and amortisation expense		
- Matchmaking services	680.09	660.14
- Marriage services and related sale of products	85.81	68.92
- Others	-	0.11
B. Segment Results		
- Matchmaking services	7,662.50	9,777.61
- Marriage services and related sale of products	(1506.57)	(1,747.37)
- Others	-	(6.22)
Total	**6,155.93**	**8,024.02**
Reconciliation of profit	**March 31, 2019**	**March 31, 2018**
Segment profit	**6,155.93**	**8,024.02**
Unallocable expenses (net of unallocable revenue)	1,592.05	1,212.75
Other finance costs	9.48	153.20
Finance income	(1393.32)	(635.26)
Exceptional items	-	(1,281.92)
Profit before tax	**5,947.72**	**8,575.25**
Particulars	**March 31, 2019**	**March 31, 2018**
C. Segment Assets		
- Matchmaking services	3,652.61	3,271.82
- Marriage services and related sale of products	391.32	516.11
- Others	-	-
Unallocable assets	27,042.07	21,532.55
Income taxes	340.22	2,009.55
Total Assets	**31,426.22**	**27,330.03**

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

39 Segment reporting *(Continued)*

Particulars	March 31, 2019	March 31, 2018
D. Segment Liabilities		
- Matchmaking services	9,553.65	8,156.90
- Marriage services and related sale of products	451.83	484.92
- Others	-	-
- Unallocable	731.69	1,923.29
Total Liabilities	**10,737.17**	**10,565.11**
E. Capital Expenditure		
- Matchmaking services	785.93	368.89
- Marriage services and related sale of products	47.66	179.99
- Others	-	-
- Unallocable	1,104.49	4,753.83
Total Capital Expenditure	**1,938.08**	**5,302.71**
F. Depreciation / Amortisation		
- Matchmaking services	680.09	660.20
- Marriage services and related sale of products	85.81	68.92
- Others	-	0.05
- Unallocable	342.34	228.28
Total Depreciation / Amortisation	**1,108.24**	**957.45**
G. Non-cash items other than Depreciation / Amortisation		
- Matchmaking services	(11.76)	52.83
- Marriage services and related sale of products	79.46	218.83
- Unallocable	(50.03)	14.97
Total Non-cash items other than Depreciation / Amortisation	**17.68**	**286.63**

Revenue from external customers

Particulars	March 31, 2019	March 31, 2018
Segment Revenue		
- India	29,802.47	28,876.78
- Outside India	5,040.28	4,667.71
Total Revenue	**34,842.75**	**33,544.49**

Non current operating assets

Particulars	March 31, 2019	March 31, 2018
- India	7,561.56	6,760.77
- Outside India	16.26	0.28
Total	**7,577.82**	**6,761.05**

Non-current assets for this purpose consists of property, plant and equipment and intangible assets.

Other disclosures

Particulars	March 31, 2019	March 31, 2018
Capital expenditure	**1,938.08**	**5,302.71**

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 Group delivers matchmaking services to its users in India and the Indian diaspora through its websites, mobile sites and mobile apps complemented by our on-the-ground network in India. Therefore revenue from none of the customers exceeds 10% of Group's total revenue.

40 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values. The management assessed that the cash and cash equivalents, trade receivables, trade payables, fixed deposits, bank overdrafts and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

40 Fair Values *(Continued)*

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Particulars	Date of Valuation	Total Book Value	Fair Value Measurement using: Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:					
Asset measured at fair value					
FVTPL financial investments:					
Unquoted mutual funds	March 31, 2019	13,675.01	13,675.01	-	-
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:					
Asset measured at fair value					
FVTPL financial investments:					
Unquoted mutual funds	March 31, 2018	7,372.85	7,372.85	-	-

41 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise bank overdraft and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash, security deposits, investments and fixed term deposits, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by its risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, trade payables, FVTPL investments and receivables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

Other than overdraft facilities maintained with HDFC Bank which are secured against our bank deposit, the Group do not have any credit facilities from any banks or financial institutions. As a result, changes in interest rates are not likely to substantially affect our business or results of operations.

Interest rate sensitivity

The Group's overdraft balance has resulted in cash surplus amounting to Rs. 542.42 lakhs as at March 31, 2019. Consequent to this, Group does not have any risk of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an expenses will fluctuate because of change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses is denominated in a foreign currency).

The majority of the Group's revenue and expenses are in Indian Rupees, however significant percentage of revenue are denominated in US dollars. Hence the Group has entered into forwared contract to protect its cash flow in US dollars. Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar (refer note 41).

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

41 Financial risk management objectives and policies *(continued)*

The Impact of unhedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD and AED rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2019	5%	2.17	2.17
	-5%	(2.17)	(2.17)
March 31, 2018	5%	0.01	0.01
	-5%	(0.01)	(0.01)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. In the matchmaking segment, the Group collects the money upfront, hence there is no credit risk. With respect to marriage services segment the Group collects only part of the consideration as an advance before the performance of services, thus exposed to credit risks. Credit quality of a customer cannot be assessed as the Group is largely in to Business to Customer (B2C) model, however the Group through its established policy, procedures and control relating to credit risk management manages the credit risk. An impairment analysis is performed at each reporting date and the Group has a provisioning policy for making provision on receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Group does not hold collateral as security.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Risk Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 20,435.55 lakhs and 17,149.70 lakhs as at March 31, 2019 and March 31, 2018 respectively, being the total of the carrying amount of balances with banks, fixed term deposits with banks, investment in mutual funds and other financial assets excluding equity investments.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group's prime source of liquidity is cash and cash equivalent and the cash generated from operations. In addition, Group has overdraft facility with HDFC bank. The Group invests its surplus funds in bank, fixed deposits and mutual funds, which carry minimal mark to market risks.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1 year	1 to 3 years	> 3 years	Total
As at March 31, 2019					
Overdraft	-	-	-	-	-
Provisions	-	610.71	-	-	610.71
Trade and other payables	-	2,171.47		-	2,171.47
	-	2,782.18	-	-	2,782.18
As at March 31, 2018					
Overdraft	641.47	-	-	-	641.47
Provisions	-	468.41	39.64	-	508.05
Trade and other payables	-	1,839.00	-	-	1,839.00
	641.47	2,307.41	39.64	-	2,988.52

Notes to the consolidated financial statements for the year ended March 31, 2019
(All amounts are in ₹ lakhs, unless otherwise stated)

42 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 41.

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign exchange and forward contracts:

Particulars	Maturity					
	Less than 1 month	1 to 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Total
As at March 31, 2019:						
Foreign exchange forward contracts (highly probable forecast sales) (USD)	3,00,000	6,00,000	9,60,000	8,20,000	1,50,000	28,30,000
Notional amount (in INR lacs)	211.99	426.11	695.84	601.15	110.82	2,045.91
Average forward rate (INR/USD)	70.66	71.02	72.48	73.31	73.88	72.29

The impact of the hedging instruments on the balance sheet is, as follows:

Particulars	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffective-ness for the period
As at March 31, 2019:				
Foreign exchange forward contracts	2,045.91	2,100.13	Financial Assets	54.22

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

Particulars	Total hedging gain/(loss) ecognised in OCI	Amount reclassified from OCI to profit or loss
Year ended March 31, 2019:		
Net movement on cash flow hedge reserve	54.22	-
Year ended March 31, 2018:		
Net movement on cash flow hedge reserve	-	-

The Impact of hedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

Particulars	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity	Effect on OCI
March 31, 2019	5%	-	-	102.29
	-5%	-	-	(102.29)
March 31, 2018	5%	-	-	-
	-5%	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

	As at March 31, 2019	As at March 31, 2018
Non-current provisions	-	39.64
Other non-current liabilities	38.10	30.31
Borrowings	-	641.47
Trade payables	2,108.82	1,793.72
Other payables	62.65	45.27
Other current liabilities	7,900.33	7,468.49
Current provisions	610.71	468.41
Less: cash and cash equivalents	(542.42)	(1,663.64)
Net debt	**10,178.19**	**8,823.67**
Equity share capital	20,507.56	16,629.57
Total capital	20,507.56	16,629.57
Capital and net debt	**30,685.75**	**25,453.24**
Gearing ratio	**33%**	**35%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018

44 Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 116 Lease

(i) Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

(ii) Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

(iii) The Group intends to adopt these standards from 1st April 2019. The Group is evaluating the effect of the above on its consolidated financial statements.

Ind AS 12 - Uncertainty in Tax Treatment

(i) Appendix C in Ind AS 12 is effective from 1st April 2019 and it set out the principles on recognition and measurement principle when there is uncertainty over income tax treatments. An entity shall evaluate whether it is probable that the tax authority shall accept an uncertain tax treatment. If it is probable, the tax base shall be consistent with that of the items used in its income tax filings. If not probable, the Group shall reflect the effect of uncertainty by using either the most likely amount method or expected value method. If the uncertain tax treatment affects current and deferred tax, the entity shall make consistent judgement and estimates for current and deferred tax.

(ii) The amendments are effective only from 1st April 2019. The Group is in the process of evaluating the changes and reliable estimate of the quantitative impact will be possible on completion of the study.

Ind AS 19 - Employee Benefits

Ind AS 19 has been amended to factor the impact relating to benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement in determining the past service cost, current service cost and net interest cost or income. The amendments are effective from 1st April 2019. Since Group's current practice is in line with the clarification issued, the Group does not expect any effect on its consolidated financial statement.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

44 Standards issued but not effective *(Continued)*

Ind AS 12 - Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

45 Initial public offering of equity shares

The Company has completed the Initial Public Offer (IPO) of 51,02,151 equity shares of Rs. 5 each at an issue price of Rs. 985 per share consisting of fresh issue of 13,34,897 equity shares and an offer for sale of 37,67,254 equity shares by selling shareholders. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from September 21, 2017.

Particulars	As per prospectus	Revised	Utilized up to March 31, 2018	Unutilized up to March 31, 2018
Advertising and business promotion activities	2,000.00	2,000.00	2,000.00	-
Purchase of land for construction of office premises in Chennai	4,257.90	4,257.90	4,254.50	3.40
Repayment of overdraft facilities	4,334.30	4,334.30	4,334.30	-
General corporate purposes	1,564.40	1,630.30	1,633.70	(3.40)
Total	12,156.60	**12,222.50**	**12,222.50**	**-**

The Company has incurred Rs. 2,989.62 lakhs as IPO related expenses as at March 31, 2018 as against the original estimate of Rs. 3,210.87 lakhs as per Prospectus. These IPO related expenses have been allocated between the Company and the selling shareholders in proportion to the equity shares allotted to the public as fresh issue by the Company and under the offer for sale by selling shareholders in the IPO. The Company's revised share of total IPO expenses is Rs. 777.55 lakhs as against the original estimate of Rs. 843.36 lakhs as per the Prospectus, and the unspent amount of Rs. 65.81 lakhs has been utilised against General Corporate purposes. The total IPO related expenses attributable to the Company of Rs. 777.55 lakhs has been adjusted against securities premium. The revised amounts and the details of the utilization of IPO proceeds as at March 31, 2018 has been presented above. The Company utilised the savings on purchase of land amounting to Rs. 3.40 lakhs, towards "General Corporate Purposes". On an overall basis the entire proceeds from IPO has been fully utilised as at March 31, 2018.

46 Acquisition of Second Shaadi.com

The Company entered into a business transfer agreement and domain transfer agreement dated March 1, 2018 with Accentium Web Private Limited for the purchase of Second Shaadi.com along with the related assets, liabilities, rights and obligations, for a consideration of Rs. 110.00 lakhs. The summary of assets and liabilities as at the date of acquisition is as below:

Assets	Amount
Domain (Note 3)	111.09
Computers (Note 3)	0.03
Cash at Bank	3.00
	114.12
Liabilities	
Unearned Income	3.00
Trade payables	1.12
	4.12
Net Assets (assets - liabilities)	**110.00**
Purchase consideration	110.00
Net cash acquired	3.00
Purchase consideration	(110.00)
Cash flow from acquisition	**(107.00)**

Note: The book value of assets and liabilities approximates the fair value, except for domain mentioned above which has been valued using discounted cash flow method.

This acquisition is not material to the financial statements of the Group

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts are in ₹ lakhs, unless otherwise stated)

47 Events after the reporting period

Subject to the approval of the shareholders in the ensuing Annual General Meeting, the Board of Directors has recommended a final dividend of Rs. 1.50 per equity share of Rs. 5 each

48 Previous year comparatives

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

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

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 9, 2019

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 9, 2019

S Vijayanand
Company Secretary

Place: Chennai
Date : May 9, 2019

MATRIMONY.COM LIMITED

(CIN: L63090TN2001PLC047432)

Registered office: No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai-600028

Ph. 044-24631500, Fax: 044-24631777

Website: www.matrimony.com, Email id: investors@matrimony.com

Form No.MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ____________________

Registered Address : ____________________

No of shares held : ____________________

Folio No./ DP ID& Client ID : ____________________

Email ID : ____________________

I/We, being the member(s) holding ___________________ shares of the above named company, hereby appoint:

(1) Name ____________________ Address ____________________

Email Id: ____________________ Signature ____________________ or failing him/her;

(2) Name ____________________ Address ____________________

Email Id: ____________________ Signature ____________________ or failing him/her;

(3) Name ____________________ Address ____________________

Email Id: ____________________ Signature ____________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Eighteenth Annual General Meeting of the company, to be held at 10.00 A.M. on Wednesday, the 7th day of August 2019 at "Narada Gana Sabha, Mini Hall," No. 314, TTK Road, Alwarpet, Chennai - 600 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No	Resolutions	Vote	
		For	Against
1.	To adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 and the reports of the Directors and Auditors thereon		
2.	To adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019.		
3.	To declare a final dividend on equity shares.		
4.	To re-appoint Shri. Murugavel Janakiraman as Director of the Company who retires by rotation being eligible for offer him-self for reappointment.		
5	To re-appoint M/s. S R Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
6.	To appoint Mrs Akila Krishnakumar as Independant Director of the Company		
7.	To approve the payment of commission to Non-executive Directors		
8.	To charge the fees for delivery of any document through a particular mode of delivery to a member		
9.	To approve increasing the Foreign Institutional Investors ("FII") / Foreign Portfolio Investor ("FPI") / Non Resident Indian ("NRI") shareholding limit in the paid up share capital of the Company		
10.	To extend the benefits and coverage of the Matrimony Employee Stock Option Scheme 2014" (the "ESOS 2014") to the em-ployees of the Holding/Subsidiary Companies of the Company.		

Signed this ______ day of ________________________ 2019

Signature of Shareholder: ____________________

Signature of Proxyholder: ____________________

Affix ₹ 1/-
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours beforecom-mencement of the meeting.
2. It is optional to indicate your preference by putting a 'X' in the appropriate column against the resolutions indicated in the Box above. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details before submission.
4. A Proxy need not be a member of the Company. Members may note that a person shall not act as a Proxy for more than 50 members and holding inaggregate not more than Ten Percent of the total share capital of the Company carrying voting rights. However, a single person may act as a proxy fora member holding more than Ten Percent of the total share capital of the Company carrying voting rights, provided such person shall not act as a proxyfor any other person.

MATRIMONY.COM LIMITED
(CIN: L63090TN2001PLC047432)
Registered office: No.94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai-600028
Ph. 044-24631500, Fax: 044-24631777
Website: www.matrimony.com, Email id: investors@matrimony.com

ATTENDANCE SLIP

Folio No./DP ID & Client ID: ____________________ Sl. No.: ____________
of the member

Name of the Member(s) & ____________________
Registered Address: ____________________

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company held on Wednesday, the 7th August, 2019 at 10.00 a.m. at "Narada Gana Sabha, Mini Hall," No.314, TTK Road, Alwarpet, Chennai - 600 018.

____
SIGNATURE OF MEMBER/PROXY

Please hand over this attendance slip at the entrance of the meeting venue.

This attendance slip is valid only in case shares are held on the date of the Annual General Meeting.

ELECTRONIC VOTING PARTICULARS		
EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note:

1. Please read instructions given at the notice of the 18th Annual General Meeting of the Company before casting your vote through Remotee-Voting.
2. Joint shareholders may obtain additional attendance slip at the entrance of the meeting venue.
3. Shareholders are requested to bring their copies of the Annual Report to the meeting.

bharat matrimony
for happy marriages

MATRIMONY.COM LIMITED

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10th Floor, Tower - II
MRC Nagar, Mandaveli
Chennai - 600 028

Concept and Design by Stampa
Website: www.stampa.co.in