matrimony.com

August 20, 2018

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 2018.

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

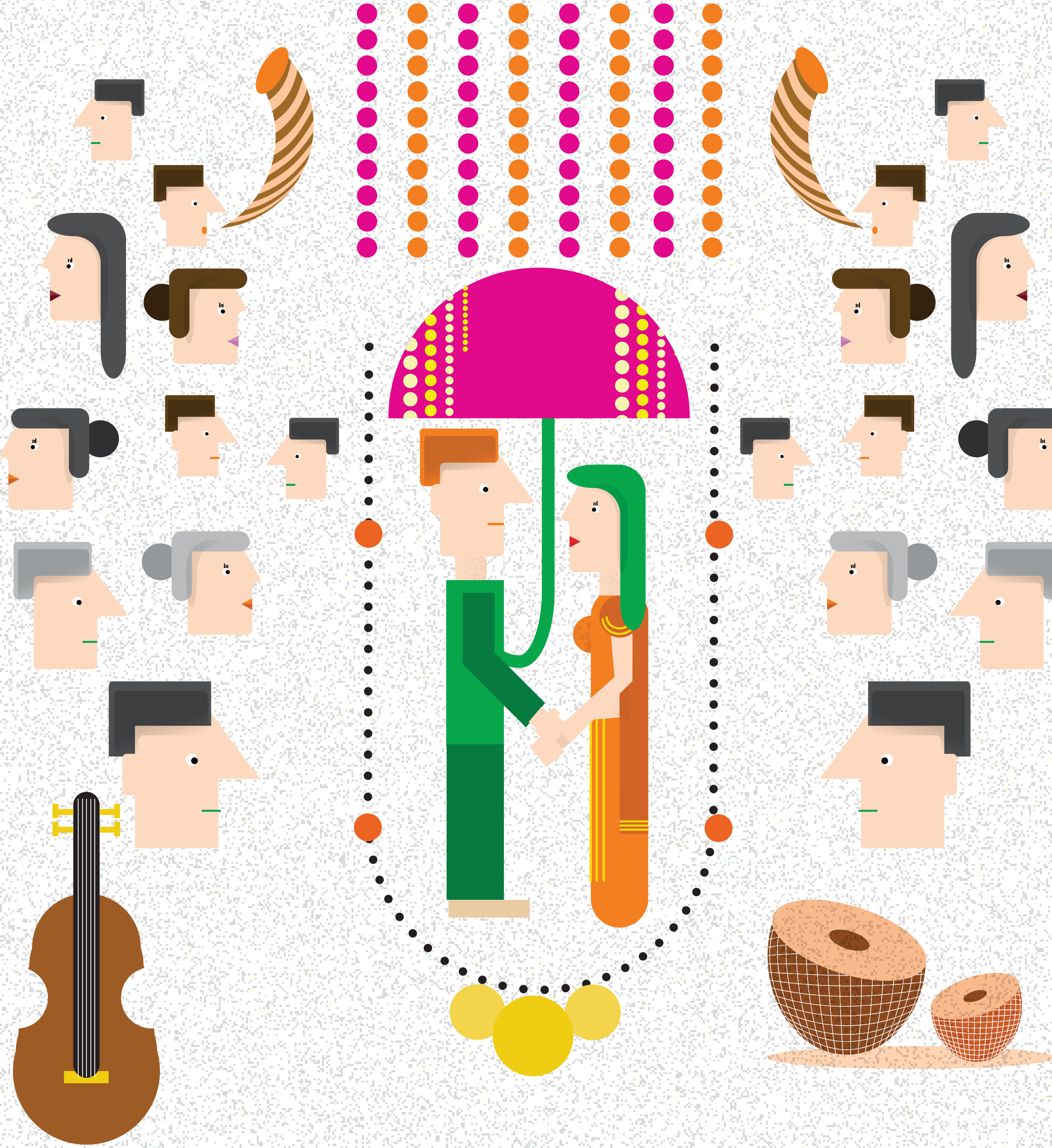
Submitted for your information and records.

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



INSPIRING HISTORY. ROUSING FUTURE.

bharat matrimony
for happy marriages

ANNUAL REPORT 2017-18

CONTENTS

INSPIRING HISTORY. ROUSING FUTURE.

The history of an organization instills a sense of identity and purpose in its people and enthuses goals and strategy that resonate with its culture. When a company's history is inspiring, it can be deployed as a valuable explanatory tool in its most familiar form, a narrative, to motivate people to raise the bar, believe in themselves, to adapt to change, and to overcome challenges. Simply said, when rich corporate history is shared through stories, it provides insight into the culture of the company's origin which, we believe, causes the present and crafts the future.

A young India, largely digitally enabled, is spatially dispersed, extremely adaptable to change, and demands non-traditional routes for paving its life-path. We have extraordinary people who make our company the best it can be for supporting that aspiration. Our history, culture, shared values and commitment to partnership, remain the platform from which we will spearhead our next phase of growth in this fast-changing, digitally networked world in a cohesive and non-fragmented manner towards a future that by all indications promises to an exciting one.

Apart from the balloons and fireworks that usually mark our company's milestones, a sophisticated understanding of our inspiring history is, we believe, one of the most powerful tools we possess, to shape this rousing future.

OUR JOURNEY

It all started in 1997. The internet was still in its infancy in India. Murugavel Janakiraman was employed as a consultant in the US when he launched a Tamil Community site for Tamil NRIs. Matrimonials was just one section of the site. Muruga was astounded by the fast-increasing eyeballs on this section. He spotted a great opportunity and launched TamilMatrimony.

He bootstrapped with $10 per month and after two years invested $1000 per month. Matrimony.com raised about $20 M (less than Rs 100 Cr) in two rounds of funding. The company went public in September 2017.

1999

Muruga finds his life partner Deepa on the site he created.

2000

The company pioneered "doorstep collections" a precursor to today's Cash on Delivery (COD).

There was a sudden turn of events however the world witnessed the dotcom bust in 2000 and Murugavel Janakiraman found himself without a job. Rather than look for a new one, Muruga decided to focus full-time on his passion - TamilMatrimony.com

2001

To expand reach and service to the not so internet savvy customers, retail outlets were launched. Today we have 139 company-owned retail outlets.

2002

BharatMatrimony pioneers the Matrimony Meet concept, whereby prospective brides and grooms and their families can meet face to face. (Offline-online integration)

Mega Swayamvaram 2002 - the largest Matrimony Meet in the world is conducted at Rajah Muthiah and Rani Meyammai Halls, Chennai.

2004

Adversity sometimes brings out the best in you, they say. That proved true for Muruga as he returned to India and set up the BharatMatrimony office in a small 300 Sq Ft office in the busy by-lanes of T Nagar in Chennai. Soon 15 regional domains under BharatMatrimony were launched - HindiMatrimony, BengaliMatrimony, TeluguMatrimony, TamilMatrimony and more.

2006

Global leaders Yahoo! and Canaan Partners invest $8.65 million in the BharatMatrimony Group.

Globalisation and liberalization contribute to a fast increase of affluent people in India. EliteMatrimony was launched to address their niche matchmaking needs.

Featured in Limca Book of Records for record number of marriages online.

2007

Understanding that Indians preferred getting married within their own community, 200 plus community portals were launched under CommunityMatrimony. Today the number has grown to 300+.

The Governing Council of the Internet and Mobile Association of India (IAMAI) appoints Murugavel Janakiraman as Chairman of the Association for 2007-2008 in recognition of his leadership in utilization of digital and mobile platforms.

2008

BharatMatrimony gets recognized as a winner in the Deloitte Technology Fast 50 India 2008 Program conducted by Deloitte Touche Tohmatsu, Asia Pacific. This award reiterates the fact that BharatMatrimony is a clear leader and pathbreaker in the field of online matrimony and has set standards for others to follow.

The India Online-2008 report by JuxtConsult confirms that we are THE MOST PREFERRED and MOST VISITED matrimony portal by Indians world over.

Consim Info raises USD 11.75 Million led by Mayfield Fund and existing investors, Yahoo! and Canaan Partners in its second round of funding.

To cater to those who sought personal service to search for matches, a personalised service called Assisted Match Making was launched

2007 2008 2009

BharatMatrimony recognized by JuxtConsult as the most used matrimony portal

2011

100 Online Matrimony Meets in 1 Day—BharatMatrimony created a record by conducting 100 matrimony meets for different communities on the same day at the same time on March 27. During the Online Matrimony Meet, members communicated for 3 hours through uninterrupted chat conversations with as many prospects as they wanted. Members could chat, exchange views and share horoscopes with other members in their community. Participation was excellent.

Quick to understand that consumers would move to mobile, BharatMatrimony launched apps for all major platforms. Today, the company has recorded over 7 Million downloads including its regional and community apps.

MatrimonyDirectory - a wedding classifieds portal with over 50,000 vendors was launched.

2012

Guinness World Record created for Largest Wedding Album.

Name changed from Consim Info to Matrimony.com.

2013

Murugavel Janakiraman was nominated twice by The Economic Times for the “Entrepreneur of the Year” award. Besides being awarded Digital Entrepreneur of the Year by WAT, he was also Chairman Emeritus of the IAMAI (Internet and Mobile Association of India).

2014

Ranked India's Most Trusted Matrimony Brand by The Brand Trust Report 2014

A survey conducted across 16 cities by Brand Trust Report (2014) on 61 critical brand and trust points has confirmed that BharatMatrimony is indeed India's most trusted online matrimony brand. The Brand Trust Report survey is conducted by Trust Research Advisory (TRA) annually. The survey covered 20,000 brands.

Backed by strong technology, analytics, millions of trusted members, and over four thousand associates, the company stood out as the undisputed leader in the online matchmaking category with a large market share.

2015

Matrimony.com's MIMA wins NASSCOM 'Excellence in Analytics' 2015 Award

MIMA (Matrimony.com's Intelligent Matchmaking Algorithm) won the prestigious NASSCOM award for Top 50 'Excellence in Analytics' 2015, for its amazing personalised matchmaking recommendation engine. MIMA is a home-grown machine learning algorithm that computes results in real-time using Big Data technologies and Data Sciences.

To tap into the huge $56 Billion marriage services market in India, the company forayed into the following services:

MatrimonyPhotography for professional photography and videography services.

2016

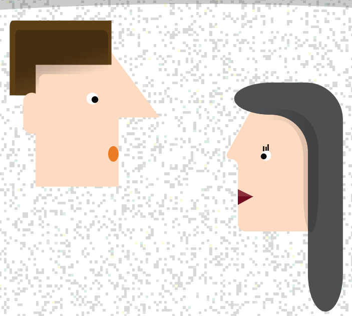
MatrimonyBazaar to provide best wedding services from catering to clothing

2017

MatrimonyMandaps to help customers find wedding and banquet halls

2017

MATRIMONY.COM WAS THE FIRST PURE PLAY CONSUMER INTERNET COMPANY TO BE LISTED ON THE STOCK EXCHANGE.



OUR CHAIRMAN'S MESSAGE

Dear Shareholders,

On April 14th 2000, when I first launched a small matrimonial portal for Tamils in USA, little did I realize that it would one day morph and grow to become the first internet company to be publicly listed, the only profitable consumer internet company in the matrimonial space. The response to the portal was so overwhelming that it fueled my passion to embark on a full-fledged matrimonial site. Thus, the birth of Tamil Matrimony.com followed by other customized sites to cater to the needs of different end users, culminating ultimately with Matrimony.com going public and be a listed Company in Indian Stock exchanges from September 2017. This journey - flagged off by an idea that ignited a passion which transformed into a purpose - has taken 18 years.

I am proud to say that we were able to capitalize on the power of technology and make a significant mark as an early mover in the largely unorganized marriage sector. When we started, the pitifully low internet penetration in the country seemed a potential hurdle. But we decided to place the bet on what we believed would be an emerging future opportunity. And it has paid off.

We adopted a multi-brand strategy and launched specialized sites based on language, community, religion, and the like. Then lured towards forward integration, we began offering wedding services - MatrimonyPhotography, Matrimony Bazaar, Matrimony Mandaps - which have together contributed a modest 5% to our top line this year but which we strongly believe will become very attractive in the coming years. The market size of the adjacencies to the matchmaking segment is estimated to be around Rs 3500 billion and they are largely unorganized and fragmented, which result in an opportunity for us. We also made our first acquisition this year - secondshaadi.com. This again, will consolidate our leadership position in the divorce matrimony segment.

"Customer Centricity" continues to be our focus area. We have aimed to create a 'WOW' experience every single time a customer comes in contact with us, going the extra mile to add value to them in their quest for a suitable partner. We urged our associates to focus on the 3 Cs - Commitment, Competence, Continuous learning. We believe that we have enhanced the customer engagement and we will continue to move forward with the same determination.

While we are rapidly expanding our global geographic footprint, it is important to remember that there is tremendous growth potential in the Indian market. Data indicates that of the 60 million people looking for a suitable spouse, only 10% are as of now on-line. As we increase membership, the expanding user base has the potential to create a strong network effect, a large virtual circle, especially when the brand is trusted. This is my dream - to create a legacy that people trust, an institution that people can fall back on to find a partner for their single most important life journey.

The performance of your Company could not have been possible without the remarkable dedication, skills, and commitment of our associates at all levels of the Company. We intend to fortify that relationship through several employee engagement programs like loyalty bonus programs, health checks, and learning and development initiatives. I thank my people for their support and look forward to a strong and mutually beneficial relationship in the coming years.

I thank our Board members and Investors, past and present for the trust they have invested in the Company and look ahead to their continued support this year as well.

Our management will continue to pursue untapped opportunities in the identified segments, improve operational efficiencies which will result in profitable growth and create wealth for all stakeholders.

With warm regards,

Murugavel Janakiraman

OUR VALUE PROPOSITION

#1

provider of

Online Matchmaking

Services

•TECHNOLOGY • SITES • OUTLETS •

Superior Outcomes HALLMARK OF MATRIMONY.COM

Micro-Market Strategy with Targeted, Customized & Personalized Services

Strong Consumer Brand

Continued Expansion into Marriage Services Segment

Robust Technology & Analytics

OUR COMPANY OVERVIEW

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.

300+
Community Matrimony Sites

15
Regional Matrimony Sites

139
Retail Outlets

3.4 mn
Active Profiles

30.47 mn
Total registrations since January 2006

459 mn
Total Page Views. More than 9x views of other sites*

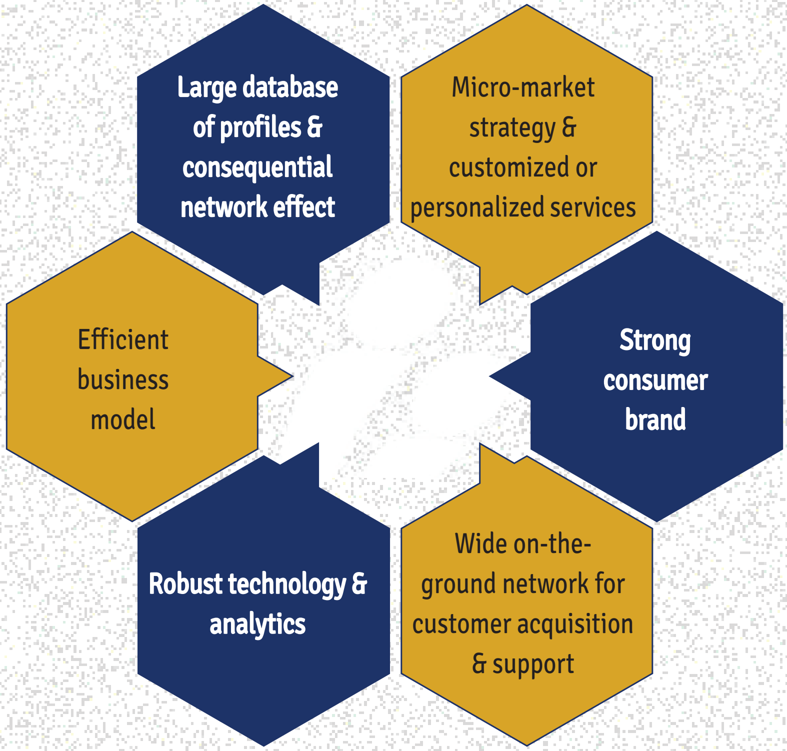
745,000
Paid subscriptions in FY2018

₹ 3,418 mn
FY18 Sales (15.2% YoY growth)

23.2 %
FY18 EBITDA margin (against 20.1% in FY17)

* In terms of average number of website pages viewed by unique visitors in June 2017 as per the Traffic Share Distribution data from April 2014 to June 2017 compiled by Comscore, Inc.

OUR STRENGTHS



HIGHLY CUSTOMISED "MICRO-MARKET" STRATEGY

MATCHMAKING SERVICES

15
Regional Language Portals

300+
Community Matrimonial Sites

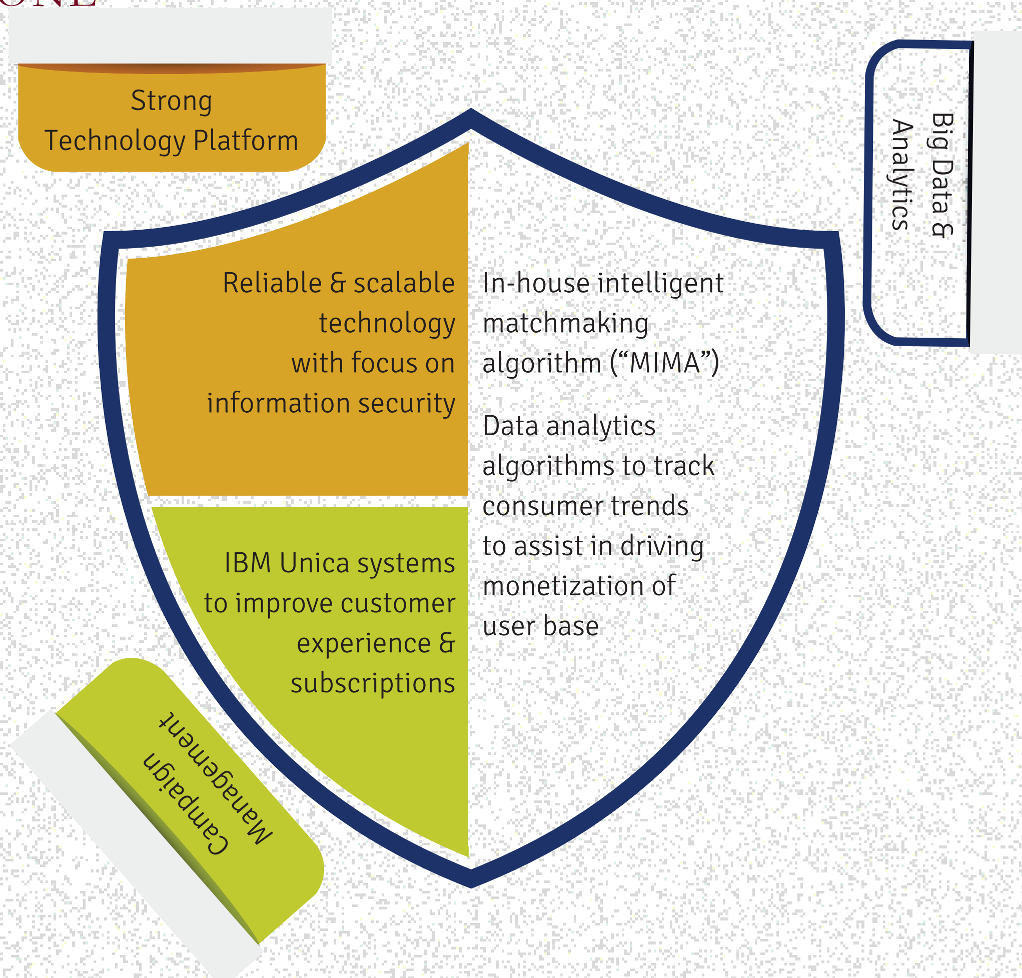
A range of targeted and customized products and services catering to the unique requirements of the Indian market through a layered product offering.

01 bharat matrimony

02 CommunityMatrimony.com

03 Elite Matrimony Premium Matchmaking Service

BACKED BY A STRONG TECHNOLOGY & ANALYTICS BACKBONE



AVENUES OF GROWTH THROUGH FORWARD INTEGRATION

MARRIAGE SERVICES

01 matrimonyphotography.com Professional Photography Service

02 matrimonybazaar.com from BharatMatrimony

03 matrimonymandaps.com

OUR BRAND VALUE

Featured in Limca Book of Records for record number of documented marriages online

2015 NASSCOM "Certificate of Excellence for innovative application of analytics for business solution"

Bharatmatrimony.com awarded India's most trusted online matrimony brand by Brand Trust Report India Study 2014

Certified as most used matrimonial search website in 2013-14 for Indian online customers by JUXT

BharatMatrimony mobile app - Best app in the social category. Global Mobile App Summit and Awards - July 2016 and July 2017.

Special jury mention for gender sensitivity (2013-2014) for TVC (Bharat Matrimony Career) at National Laadli Media and Advertising Awards, 2015

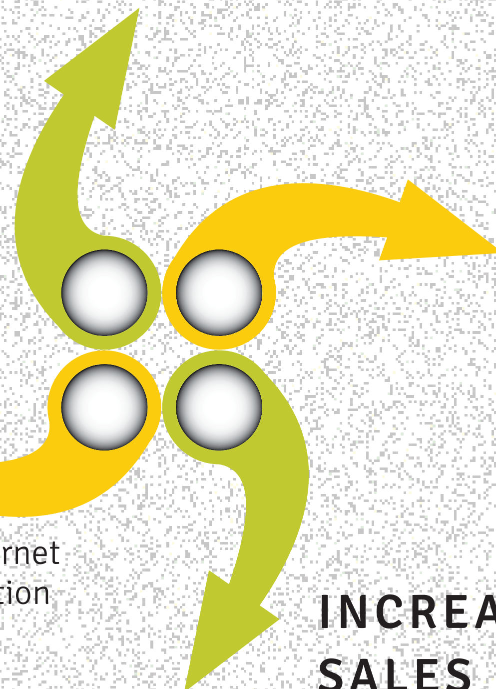
OUR GROWTH CYCLE & STRATEGY

MATCHMAKING GROWTH CYCLE

ATV

Sustained price increase due to leadership position

Higher price packages



CONVERSION RATE

Continuous product improvements in online & mobile

Leverage campaign management & analytics

PROFILES

Fueled by Increasing internet and smartphone penetration

Social adoption & trust

INCREASED SALES

GROWTH STRATEGY

A > Expand User Base

B > Continue Investments in Mobile Platforms

C > Drive Monetization

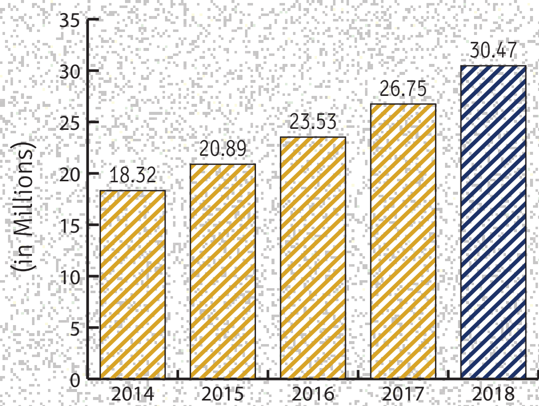
D > Further Strengthen Brands

E > Continue to Expand into Marriage Services

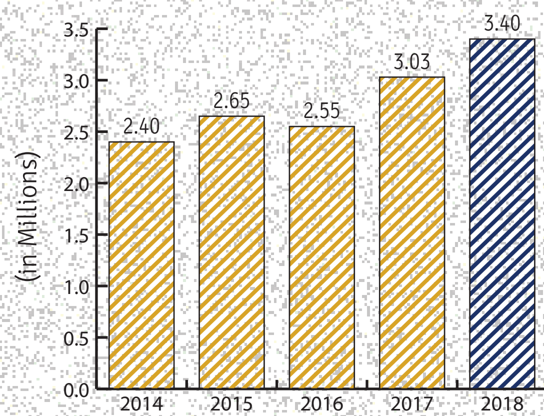
OUR PERFORMANCE.
5 YEARS AT A GLANCE.

KEY REVENUE METRICS

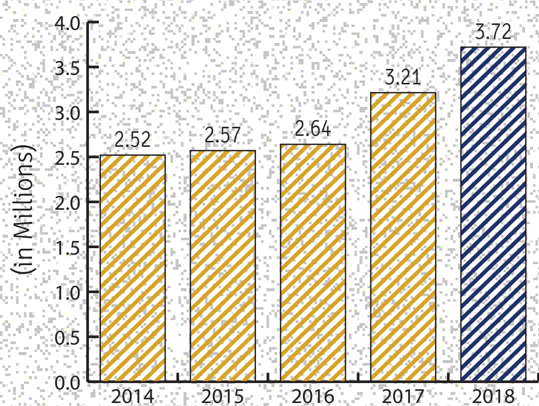
Ever Registrations



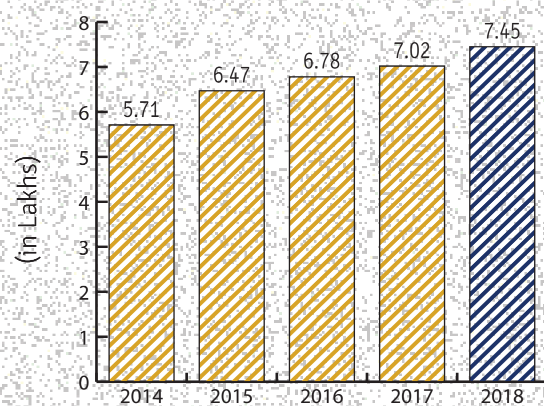
Active Profiles



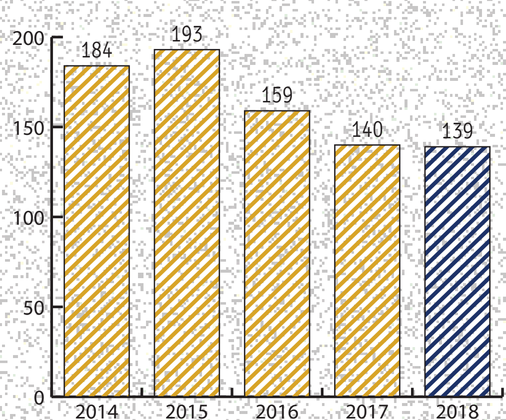
Free Registrations



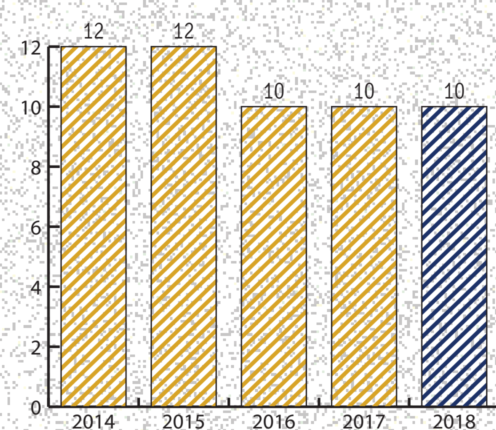
Paid Subscriptions



Retail Outlets

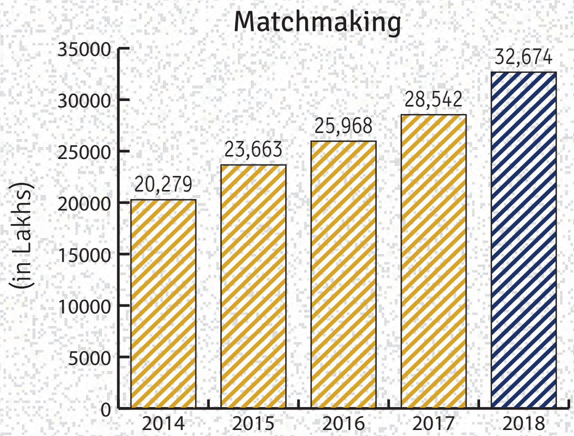


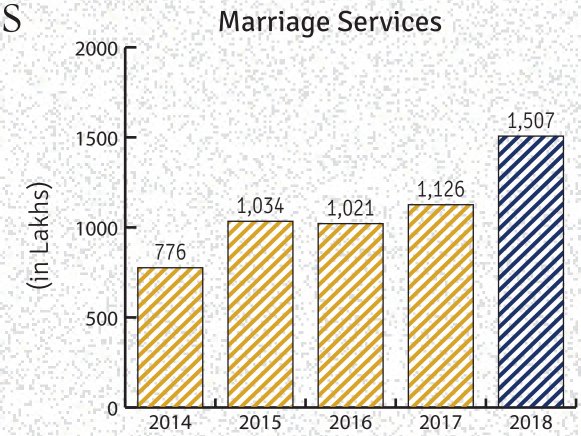
Service Delivery Centres



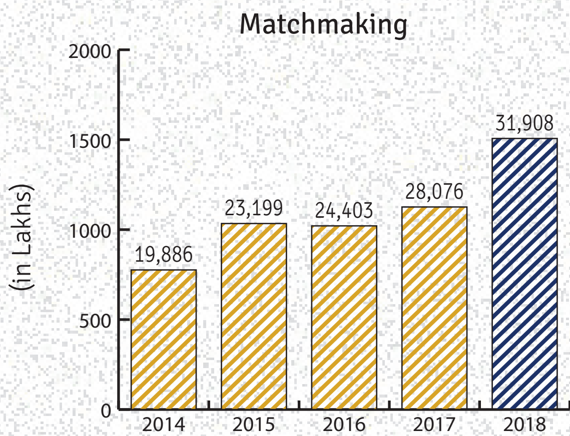
KEY FINANCIAL METRICS

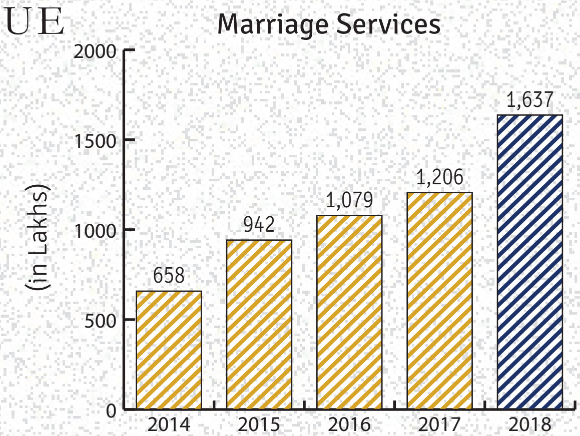
SALES



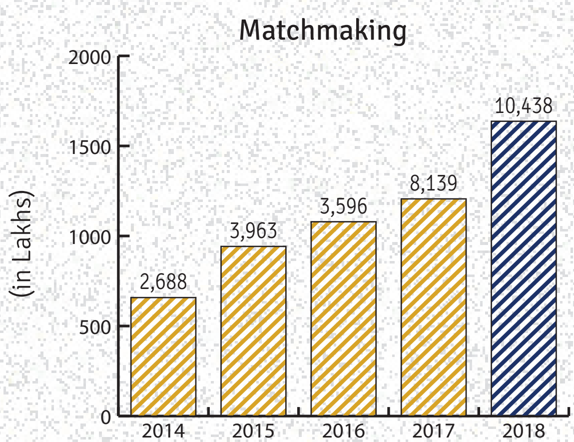


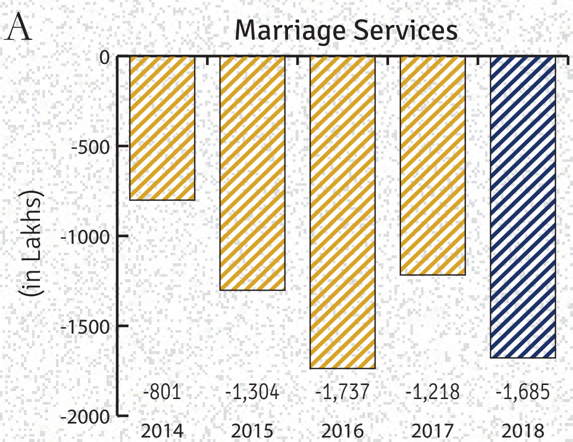
REVENUE

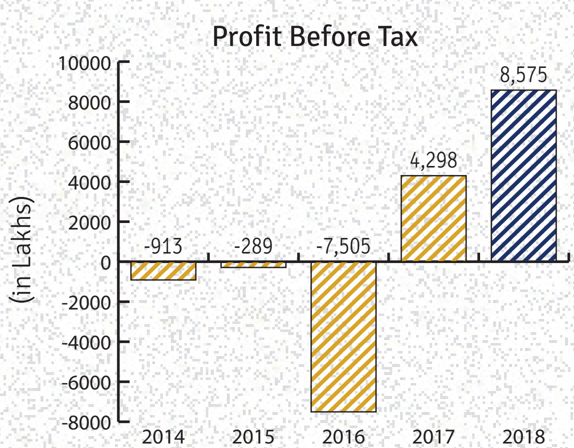


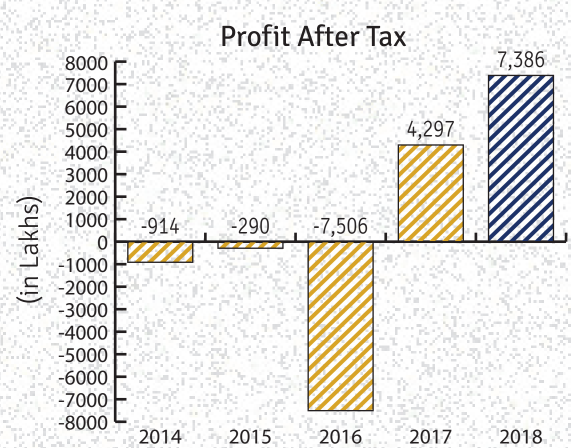


EBITDA







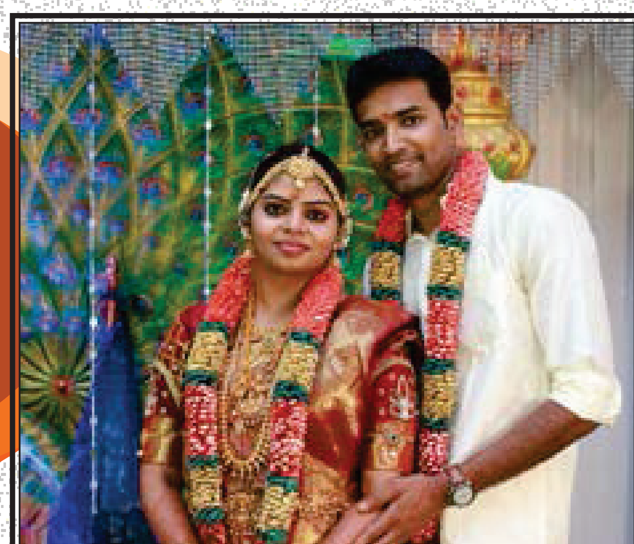


OUR CUSTOMERS SPEAK

Matrimony Id: B1698433
Groom name: Kaustav Goswami
Marriage date: 03-Dec-2017

We were planning for our son's marriage by first half of 2016. We started to look for our ideal match through our acquaintances, providing ad through matrimonial columns of newspapers, but could not find someone special. Finally we opened accounts on different marriage portals including Bharatmatrimony.com. First we tried with free account, but the responses were not the ideal, although BharatMatrimony had the best options. So we planned for paid subscription, opting for lifetime package (2 years).With the advanced package we got extra advantages like messaging, getting contact numbers, kindle match, so we could communicate with a large number of prospects. After searching for a year we finally found the one ideally suited for our son. My son and his would-be-bride started spending time and understanding each other. Finally after YES from both sides we looked for the auspicious day and on 3rd Dec 2017 we brought the two families together. We would definitely like to recommend Bharatmatrimony.com to our friends and relatives.

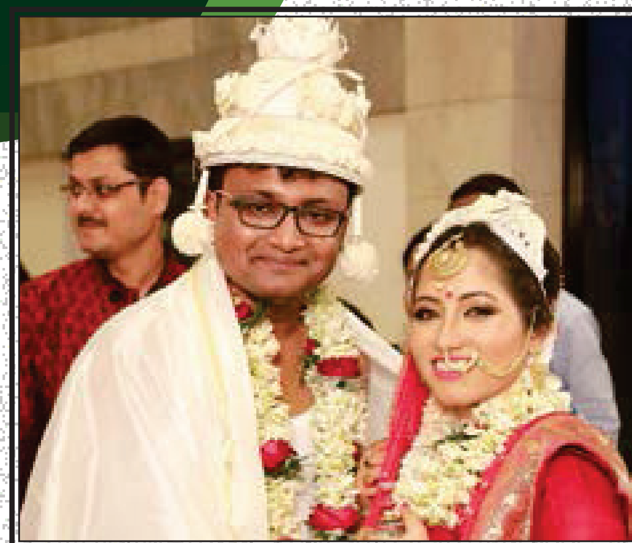
"Marriages are made in heaven" that's what I have been told. In this era, "Marriages are made in Bharat Matrimony". Yes, I found my girl on Tamil Matrimony on 2-Jul-2017. Horoscope matched, parents met, we met and all set, we got married on 7-Dec-2017. We are having an exciting and blissful life :) Tamil Matrimony is a wonderful platform that operates globally. It provides hundreds of profiles, has adequate privacy, numerous filter options to make our search faster to find the best profiles. Thanks much Tamil Matrimony for helping me to find my girl. Kudos! Happy *wink*



Matrimony Id: M4576272
Bride name: Iswarya
Groom name: Arun Kumar
Marriage date: 07-Dec-2017

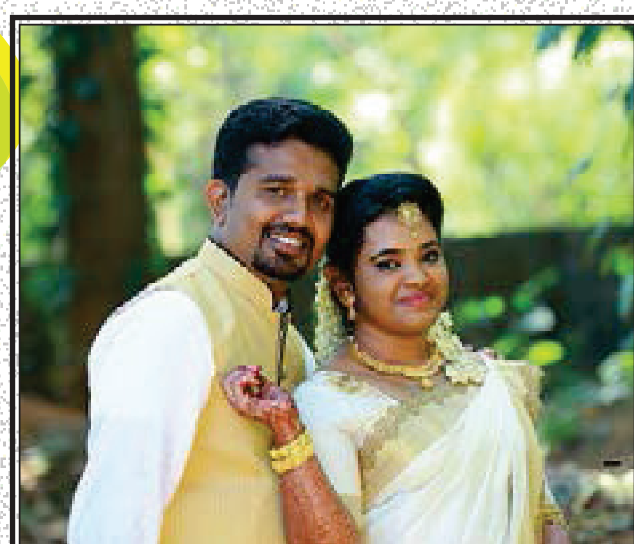
I advertised in Ananda Bazar & Telegraph Newspaper a couple of times in the beginning and simultaneously took membership in both Bengali matrimony and Brahmin matrimony as soon as my daughter joined for MD in Obstetrics & Gynecology in the middle of 2013. This continued for two to two and a half years. Then I discontinued for a while, but soon rejoined in Bengali Matrimony, relying this time purely on Bengali Matrimony as I found it more easy to handle with easier and more user friendly display patterns. By the way I forgot to mention that I took membership in other matrimonial websites earlier time but finally I found success through Bengali Matrimony, and I thank you for the service.

Regards Swapan Kumar Bhattacharyya.



Matrimony Id: B1833211
Bride name: Dr. Sreya Bhattacharyya
Groom name: Dr. Abhishek Kumar
Marriage date: 24-Feb-2018

Nice experience with Ezhava Matrimony.
Thank you for a wonderful life partner.

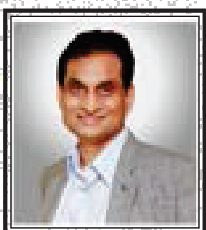


Matrimony Id: EZH588338
Bride name: Aswathi. P.A
Groom name: Saran S
Marriage date: 4th April 2018

OUR BOARD OF DIRECTORS

Murugavel Janakiraman
Promoter, Chairman and Managing Director

Murugavel Janakiraman, aged 48 years, is the Promoter and Managing Director of our Company. He holds a bachelor's degree of science in statistics and a master's degree in computer applications from the University of Madras. For a brief while he worked as a consultant in the US where he launched a community site for Tamil NRIs. This eventually led to the launch of TamilMatrimony, BharatMatrimony and other community websites. He discovered his wife Deepa through his own matchmaking site. He was also Chairman Emeritus of the IAMAI (Internet and Mobile Association of India).



C K Ranganathan
Non-Executive Independent Director

C K Ranganathan, aged 58 years, is a Non-executive Independent Director, of the Company. He holds a bachelor's degree in Chemistry. He is the founder of Cavinkare Private Limited, a company engaged in the business of personal care, food, beverages, dairy and snacks. He was conferred the prestigious, Entrepreneur of the Year Award by the Economic Times in 2004. He was the Chairman of Confederation of Indian Industry (CII), Tamil Nadu State Council for the year 2009-10 and former president of the Madras Management Association. He is associated with the Company since 2014.

Milind S Sarwate
Non-Executive Independent Director

Milind Sarwate, aged 58 years, is a Non-executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Bombay, and is an associate of the Institute of Chartered Accountants of India a fellow member of the Institute of Company Secretaries of India and a member of Institute of Costs and Works Accountants of India. He was previously engaged with Marico Limited as its group Chief Financial Officer. . He is associated with the Company since 2014.

George Zacharias
Non-Executive Independent Director

George Zacharias, aged 59 years, is a Non-executive Independent Director of our Company. He holds a bachelor's degree of technology in chemical engineering and holds a post graduate diploma in business management from the Xavier Labour Relations Institute, Jamshedpur. He is associated with the Company since 2006.

Deepa Murugavel
Non-Executive Director

Deepa Murugavel, aged 40 years, is a Non-Executive Woman Director of our Company. She holds a bachelor's degree of science in biochemistry (special) from Gujarat University and a master's degree in business administration from California Coast University. She has also completed a course on training as a laboratory technician from the K.M. School of Post Graduate Medicine and Research, Ahmedabad. She has been associated with our Company since 2006.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the Members of Matrimony.com Limited will be held on **Friday, the 10th August, 2018 at 9.30 A.M.** at "Kasturi Srinivasan Hall" The Music Academy, 168 (Old no. 306), T T K Road, Chennai - 600 014 to transact the following business:

ORDINARY BUSINESS

1. 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, 2018, the Reports of the Board of Directors and the Auditors thereon, be and are hereby received and adopted.

2. 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, 2018 and the Report of the Auditors thereon, be and are hereby received and adopted.

3. 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, 2018, a Dividend at the rate of Rs. 1.50 (Rupees One Rupee 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 2017-18 and that the said dividend be paid to the Members whose names appear on the Register of Members as on 3rd August, 2018 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. 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, Smt. Deepa Murugavel (holding DIN 00725522), who retires by rotation, be and is hereby re-appointed as a Director of the Company.

5. 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), the Company hereby ratifies 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 (17th) Annual General Meeting until the conclusion of the next (18th) Annual General Meeting of the Company on such remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESS

6. 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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force),read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, approval of the shareholders be and is hereby accorded to appoint Shri. Murugavel J (holding DIN 00605009) as Managing Director of the Company for a period of three years with effect from July 1, 2018 to June 30, 2021.

   RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other Rules as may be applicable thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject further to the limits prescribed in the Companies Act, 2013, approval be and is hereby accorded for the following terms of remuneration to Shri. Murugavel J with effect from April 1, 2018 upto March 31, 2021

a.	Salary	Salary of Rs.1.5 Crore per annum in the grade of Rs. 1.5 Crore to Rs. 2.5 Crore per annum with authority to the Board or Nomination and Remuneration Committee thereof, to fix the remuneration within the said maximum amount from time to time. The annual increments which will be effective 1st April each year will be decided by the Board or a committee thereof and will be merit based and take into account the company's performance.
b.	Variable Performance pay	Upto 100 % of the fixed salary per annum in addition to the fixed salary subject to the performance criteria laid down the Board and/or Nomination & Remuneration Committee.
c.	Structure Reset	The Board/Nomination and Remuneration Committee may reset the ratio between fixed and variable CTC at yearly intervals, based on both data and qualitative inputs.

d.	Personal Accident Insurance	As per Company policy
e.	Retirement benefits	Contribution to Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave as per rules of the Company in force from time to time within overall limit.
f.	General	(i) In the event of absence or inadequacy of profits in any financial year, Shri. Murugavel J shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Central Government or the Shareholders as the case may be, exceed the limits prescribed under the Companies Act, 2013 and the Rules made thereunder or any statutory modification or re-enactment thereof. (ii) Perquisites shall be valued in terms of income-tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant. Provision of telephone (including at residence) shall not be reckoned as perquisite. (iii) The aggregate remuneration (including salary, allowances, perquisites, and incentive / commission and retirement benefits) for any financial year shall be subject to an overall ceiling prescribed under the Companies Act, 2013. (iv) Shri. Murugavel J will not be entitled to any sitting fees for attending meetings of the Board or any Committee thereof. (v) Shri. Murugavel J will be subject to all other service conditions as applicable to any other employee of the Company. He will not be entitled for severance fee or other compensation for any loss of office.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board of Directors or nomination and Remuneration Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.

By Order of the Board of Matrimony.com Ltd
Sd/-

Chennai
May 3, 2018

S Vijayanand
Company Secretary

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 under Item nos.6 (pursuant to Section 102 of the Companies Act, 2013) is annexed hereto.

4. Members are requested to intimate the Registrar and Transfer Agent viz., Karvy Computershare Private Ltd, Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 (RTA), not later than 1st August, 2018, 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).

7. 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.

8. 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.

9. Electronic (soft) copy of the Notice of the 17th 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 2017-18 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 17th 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 2017-18 are being sent in the permitted mode.

ANNEXURE TO THE NOTICE

Details of the Director seeking re-appointment at the 17th Annual General Meeting vide Item no. 4 of the Notice dated May 3rd , 2018

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

The resume of Smt. Deepa Murugavel, 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:

Smt. Deepa Murugavel

Deepa Murugavel, aged 40 years, is a non-executive Director of our Company. She holds a bachelor's degree of science in biochemistry (special) from Gujarat University and a master's degree in business administration from California Coast University. She has also completed a course on training as a laboratory technician from the K.M. School of Post Graduate Medicine and Research, Ahmedabad. She has been associated with our Company since March 26, 2006.

Smt. Deepa Murugavel holds 4007 equity shares of the Company and forms part of promoter group.

There were 9 Board meetings conducted during the year and Smt. Deepa Murugavel has attended 4 Board meetings.

Smt. Deepa Murugavel does not hold Directorship in any other Company and is member of Corporate Social Responsibility committee and Stakeholders Relationship Committee of the Company and Chairman of Stakeholders Relationship Committee.

Smt. Deepa Murugavel is the spouse of Shri. Murugavel J, Promoter and Managing Director of the Company. She is not related to the any other Directors and Key Managerial Personnel of the Company, and their relatives.

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

Explanatory Statement in respect of the Special Business under Item nos. 6 (pursuant to Section 102 of the Companies Act, 2013) of the Notice dated May 3rd, 2018

Item no.6

Shri. Murugavel J was appointed as Director & Chief Executive Officer on 5-9-2001. The company was converted into Public limited company with effect from 2-1-2015. He was appointed as Managing Director for a period of 3 years from July 1, 2015. The approval of the shareholders is sought for re-appointment of Shri. Murugavel J as Managing Director of the Company for a period of 3 years from July 1, 2018. At its meeting held on 3rd May, 2018, the Board of Directors had reappointed him as Managing Director of the Company, subject to the approval of the shareholders, for a period of three years with effect from July 1, 2018 to June 30, 2021.

Information about appointee

1.	Brief resume	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.
2.	Past remuneration	Fixed Compensation - Rs. 1.16 Crore & Performance based compensation- Upto 150% of fixed compensation
3.	Remuneration proposed	As mentioned in the text of resolution
4.	Shareholding in the Company	Shri. Murugavel J holds 11428116 equity shares of the Company which includes 12 shares held on behalf of shareholders holding fractional shares pursuant to consolidation of shares from Rs. 3/- to Rs.5/- on August 5, 2015
5.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Spouse of Smt. Deepa Murugavel, Non-Executive Woman Director. No other relationship with any other Directors or Key Managerial Personnel of the Company and their relatives
6.	The number of Meetings of the Board attended during the year	There were 9 Board meetings conducted during the year and Shri. Murugavel J has attended all 9 Board meetings.

7. Other Directorships, Membership/ Chairmanship of Committees of other Boards	**Directorships in other Companies***	**Membership in Committees**	**Chairmanship in Committees**
	1. Community Matrimony Private Limited 2. Sys India Private Limited 3. Propfinder India Private Limited 4. Matchify Services Private Limited 5. Tambulya Online Marketplace Private Limited 6. India Property Online Private Limited 7. Consim Info USA Inc 8. Infonauts Inc, USA	1. Corporate Social Responsibility Committee 2. Share Allotment Committee 3. Stakeholders Relationship Committee	1. Corporate Social Responsibility Committee 2. Share Allotment Committee

* Shri. Murugavel J is not a Director in any other listed companies.

Approval of the shareholders is sought for the re-appointment of and the remuneration payable to Shri. Murugavel J as Managing Director and for the other terms and conditions as detailed in the Ordinary Resolution set out in Item No.6 of the Notice. The Board recommends the Resolution for approval by the Members of the Company.

Except Shri. Murugavel J, being the appointee and Smt. Deepa Murugavel, Director, 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.

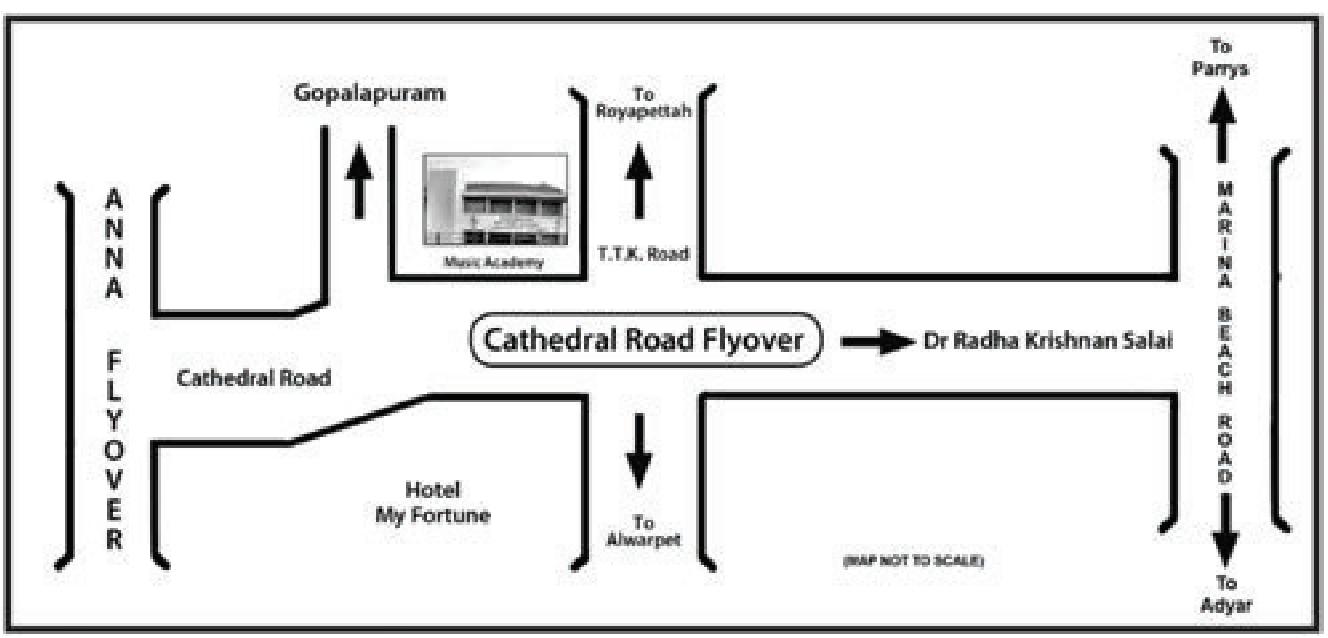
By Order of the Board of Matrimony.com Limited

Place: Chennai
Date: May 3, 2018

S. Vijayanand
Company Secretary

Please see overleaf for instructions on electronic voting (e-voting)

Route Map for AGM Venue



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 17th 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 Computershare Private Limited ("Karvy").

II. Shri. 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 6, 2018 (9 A.M. Indian Standard Time) and ends on August 9, 2018 (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 August 3, 2018 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.

(ix) 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.

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

(xi) 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.

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

(xiii) 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).

(xiv) 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 – 17th 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., August 3, 2018. 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 August 3, 2018, 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.

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

Chief Financial Officer

Shri. K Balasubramanian

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
Federal Bank Ltd
Axis Bank Ltd

Registered Office

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

Registrar and Share Transfer Agents

Karvy Computershare 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

BOARD'S REPORT

Dear Shareholders,

The Board of Directors of your Company take pleasure in presenting the seventeenth 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, 2018.

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

Results of Operations

in Rs Lakhs, except per equity share data

	Consolidated		Standalone	
	FY 18	FY 17	FY 18	FY 17
1. Net Revenue	33,544.49	29,281.91	30,821.32	26,746.71
2. Other Income	9.33	11.04	23.91	21.55
3. Total income (1 + 2)	33,553.82	29,292.95	30,845.23	26,768.26
Expenditure:				
a) Employee Benefit Expenses	13,288.98	11,640.16	13,274.81	11,608.10
b) Marketing Expenses	5,603.20	5,223.04	5,592.33	5,185.57
c) Infra /Communication/ Admin Expenses	6,892.92	6,534.71	6,644.33	6,226.88
4. Total expenditure	25,785.10	23,397.91	25,511.47	23,020.55
5. EBITDA (3 – 4)	7,768.72	5,895.04	5,333.76	3,747.71
6. Depreciation/Amortization	957.45	1,038.18	957.15	1,034.45
7. PBIT (5 – 6)	6,811.27	4,856.86	4,376.61	2,713.26
8. Finance Cost	153.20	558.66	125.98	441.52
9. Finance Income	635.26	437.08	639.01	453.99
10. Profit before tax and exceptional items (7 – 8 + 9)	7,293.33	4,735.28	4,889.64	2,725.73
11. Exceptional (Income) / Expenses	(1,281.92)	437.21	(1,281.92)	438.75
12. Net Profit before tax (10 – 11)	8,575.25	4,298.07	6,171.56	2,286.98
13. Tax Expense	1,188.99	1.41	1,188.73	-
14. Net Profit after tax (12 – 13)	7,386.26	4,296.46	4,982.83	2,286.98
15. Other Comprehensive Income -Net of Tax	(49.80)	(38.28)	(60.06)	(52.13)
16. Total Comprehensive Income (14 + 15)	7,336.46	4,258.38	4,922.77	2,234.85
17. Retained Earnings (Opening Balance)	(4,338.62)	(8,596.77)	(1,333.85)	(3,582.55)
18. Transfer to General Reserve	-	-	-	
19. Retained earnings (Closing Balance)	2,991.37	(4,338.62)	3,592.72	(1,333.85)
20. EPS Basic	33.61	22.69	22.67	12.08
21. EPS Diluted	33.40	20.02	22.53	10.66

Your Company has adopted Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The date of transition into Ind AS is April 1, 2016 and accordingly, these consolidated and standalone financial results have been prepared in accordance with the recognition and measurement principles in Ind AS and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been restated accordingly.

The following are the areas which had an impact on account of transition to Ind AS:

- Employee costs pertaining to defined benefit obligations
- Discounting of certain long-term liabilities
- Share-based payments
- Fair valuation / Discounting of Financial Assets
- Reversal of rent straightlining

Necessary disclosures as regards to the key impact areas & other adjustments upon transition to Ind-AS reporting have been made under the notes to financial statements.

Business Review

Your Company has achieved consolidated income of Rs 33,553.82 Lakhs during the year under review as against Rs 29,292.95 Lakhs during the previous financial year, a growth of 14.5% year on year. The operating expenses stood at Rs 25,785.10 Lakhs during the year as against Rs 23,397.91 Lakhs of the previous year, representing an increase of 10.2%. The Earnings before Interest, Tax and Depreciation (EBITDA) for the year was at Rs. 7,768.72 Lakhs as against Rs. 5,895.04 Lakhs for the previous year, a growth of 31.8%. The Profit before Tax and Exceptional item for the year was at Rs. 7,293.33 Lakhs as against Rs 4,735.28 Lakhs of the previous year, representing a growth of 54.0%. The Company's consolidated Net Profit (PAT) for the year was at Rs. 7,386.26 Lakhs, a growth of 71.9%, against the previous year. The net profit for the year includes the one time receipt of Rs 1,281.92 Lakhs from Mr Murugavel Janakiraman, Managing Director of the Company, towards the obligation he had as per the terms of the agreement with the defendants of a legal suit in USA.

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 15.8% year on year. The revenue for the current year was at Rs. 31,907.93 Lakhs as against Rs. 28,076.35 Lakhs for the previous year, resulting in a growth of 13.6%. The matchmaking EBITDA for the year grew by 28.2% to reach Rs.10,437.75 Lakhs as against Rs. 8,138.92 Lakhs of the previous year. The EBITDA margin enhanced for the year and was at 32.7% as against 29.0% of the previous year.

Marriage Services

The Marriage Services Revenue for the year was at Rs. 1636.56 Lakhs as against Rs. 1205.56 Lakhs of the previous year, resulting in a growth of 35.8%. The cash burn for the year was Rs. 1684.56 Lakhs as compared to Rs. 1217.66 Lakhs of the previous year. During the last quarter of the financial year your Company launched matrimonymandap vertical. 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, 2018, on a consolidated basis, we had liquid assets (includes cash and cash equivalents and investments) of Rs. 17,149.70 Lakhs, as against Rs. 5,801.21 Lakhs at the end of previous year. 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

Your 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. Also with the increasing internet and mobile penetration in India, cultural receptivity to arranged marriages and increased freedom of choice over life decisions, the growth opportunity is large. 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, process improvements and invest in brand.

Dividend

Your Company has been consistent in generating operating cash flow over the years. The Board had reviewed the dividend policy of the Company in its meeting held on February 1, 2017 and 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 maiden final dividend of Rs 1.50 per equity share in its meeting held on May 3, 2018 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 410.92 Lakhs.

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 and paid last year.

Significant Events

Your 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. Paid up capital of the Company post the listing and ESOP allotment is at 2,27,10,911 equity shares of Rs 5 each.

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	315426
2.	Number of options granted during the year	23300
3.	Number of options forfeited / lapsed during the year	11780
4.	Number of options vested during the year	122995
5.	Number of options exercised during the year	134423
6.	Number of shares arising as a result of exercise of options	134423
7.	Variation of terms of options	NIL
8.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	15055869
9.	Number of options outstanding at the end of the year	192523

ii) Employee wise details of options granted to

Key Managerial Personnel	Shri. K Balasubramanian, Chief Financial Officer received 5000 options during the year
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Shri. Narayanan R, GM - Campaign Analytics received 3000 options during the year
	Shri. Srinath Duggirala Vice President – Product received 3600 options during the year
	Smt. Uma Srinivasan Asst Vice President – HR received 3600 options during the year
	Shri. Ragu V General Manager – Technical received 3000 options during the year
	Shri. Dinesh Nirmal David, Asst Vice President - Elite Sales received 3600 options during the year
	Shri. K Balasubramanian, Chief Financial Officer received 5000 options during the year
	Shri. Sanjeev Misra, Sr. Vice President – Sales received 1500 options during the year
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 scheme was subject to certain amendments during the year for better administration of the scheme. 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 2018. 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 and the resolution passed by the members. The Certificate would be placed at the Annual General Meeting for inspection by members.

Board of Directors

During the year under review, the Nominee Directors Shri. Vishal Vijay Gupta, Shri. Avneet Singh Kochar and Shri. Nikhil N Khattau resigned from the Board. Smt. Deepa Murugavel, Non-Executive Director retires at this Annual General Meeting and being eligible offer herself for re-election.

Shri. C. K Ranganathan, Independent Director resigned as Chairman of the Company during the year and continues to be an Independent Director on the Board. Shri. Murugavel J, Promoter and Managing Director has been appointed as Chairman of the Company.

Number of Board Meetings Conducted During the Year Under Review

The Company had 9 Board meetings during the financial year under review and a meeting of the Independent Directors was held on 21/03/2018.

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.

Policy on Director's appointment and remuneration policy of the Company

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 https://www.matrimony.com/investors/policies/remuneration-policy.pdf.

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.)
Community Matrimony Private Limited	# 100000	100000
Sys India Private Limited	* 100000	100000
Matchify Services Private Ltd	# 4124500	41245000
Tambulya Online Marketplace Private Ltd	# 3050000	30500000
Consim Info USA Inc., USA	1000	45120

includes 1 share held by Shri. Murugavel J - Chairman & Managing Director on behalf of the Company

* includes 100 shares held by Shri. Murugavel J - Chairman & Managing Director on behalf of the Company

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. Lakhs)

Sl No	Particulars	2017-18	2016-17
1	Income from services	466.43	582.75
2	Business License Fee	1555.04	1375.83
3	Guarantee Fee	3.75	16.90
	Total	**2,025.22**	**1975.48**

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

Sl No	Particulars	2017-18	2016-17
1	Advertisement Expenses	32.39	73.82
2	Web hosting charges	1.07	7.91
3	Other Expenses	9.40	7.84
	Total	**42.86**	**89.57**

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. The 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 and 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 five wholly owned subsidiaries, of which Sys India P Ltd and Consim Info USA Inc are active whereas Community Matrimony P Ltd, Tambulya Online Marketplace P Ltd and Matchify Services P Ltd are dormant. Efforts are on, for these dormant Companies, to file an application under Section 248 (2) for removing the name of the Company from the Registrar of Companies. 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 4300 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 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**.

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 Company has also constituted a Corporate Social Responsibility (CSR) Committee of the Board during the current year. This Committee will identify and oversee implementation of the CSR activities of the Company from the current year onwards.

Though the CSR is not applicable to your Company in the current financial year, on a voluntary basis the Company has contributed Rs. 7.01 Lakhs for the social development.

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.

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 continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

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.

Disclosure of Composition of Audit Committee and Providing Vigil Mechanism

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

Shri. Milind S Sarwate
Shri. George Zacharias
Shri. 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.

During the financial year 2017-18, there were 8 complaints on sexual harassment and appropriate action was taken after investigation. There were no complaints pending to be redressed at the end of the year.

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.

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 as **ANNEXURE G** and forming part of this report.

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

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.

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) the Directors 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) the Directors 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) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down adequate Internal Financial Controls to be followed by the company and that such Internal Financial Controls were operating effectively during the financial year ended 31st March 2018; and

f) the Directors have devised proper systems 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.

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
Shri Murugavel J	Chairman & Managing Director	136.95
Shri Milind S Sarwate	Independent Director	16.25
Shri George Zacharias	Independent Director	10.63
Shri C K Ranganathan	Independent Director	NA#
Smt Deepa Murugavel	Non-Executive Woman Director	NA#

- The median remuneration of employees of the Company was Rs.159996
- Independent Directors were not paid any remuneration except the sitting fees for attending the Board Meeting and Committee Meeting

Shri C K Ranganathan Independent Director and Smt. Deepa Murugavel, Non Executive Director neither received any remuneration nor were paid sitting fees for attending the meetings since they had waived their entitlement of receiving sitting fees.

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
Shri. Murugavel J	Chairman & Managing Director	15.36%
Shri. Balasubramanian K*	Chief Financial Officer (CFO)	7.8%
Shri. Vijayanand S	Company Secretary & Compliance Officer	20.24%

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

* Shri. Balasubramanian K was paid remuneration for part of the financial year in FY 16-17 since he had joined in August 2016. Hence the remuneration was annualized for the FY 16-17 for the purpose of calculating percentage increase.

3. The percentage increase in the median remuneration of employees in the financial year: 6.16%
4. The number of permanent employees on the rolls of Company: 4379
5. Average percentile increase already made in the salaries of employees other than the managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

   Average percentile increase in remuneration of employees other than managerial personnel is 8%

   However, there was an increase of 15.36 % for Managerial Personnel. Variable pay constitutes an integral part of the remuneration of mainly the managerial personnel of the Company which is not the case for other employees. The increase in managerial remuneration was mainly on account of payment of variable pay which was directly related to the performance of the individual contributing to the performance of the Company, measured in pre-determined yardsticks.

   Note: Percentage Increase in the Managerial Remuneration indicates the increase in remuneration of Chairman & Managing Director only.
6. Affirmation that the remuneration is as per the remuneration policy of the Company

The remuneration paid/ payable is as per the nomination and remuneration policy of the Company.

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

Place: Chennai

Date: May 3, 2018

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	Perquisite							
1	Saichitra S	Chief Portal and Mobile Officer	81.67	689.79	Permanent	Holds Bachelor's degree in Computer Science and Master's degree in computer application from Bhartidasan university. She has over 17 years of experience in the field of product development and technology	Since Incorporation	41 yrs	Nil	0.43	No
2	J Murugavel	Managing Director	218.79	0.324	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	50.32	Yes. Spouse of Director Ms Deepa Murugavel
3.	Sanjeev Misra	Senior Vice President	85.73	31.54	Permanent	Holds Bachelor's degree of technology in Mining Engineering from the Indian School of mines, Dhanbad and Post graduate diploma in management from the management development institute Gurgaon. He has over 20 years of experience in the field of sales and operations.	May 5, 2014	46 yrs	Scope International Limited as Vice President	0.04	No
4.	K Balasubramanian	Chief Financial Officer	122.98	-	Permanent	Holds a Bachelor's degree in science and member of institute of Chartered Accountants of India. Has over 30 years of experience.	August 22, 2016	62 yrs	Tube Investments of India Ltd as Chief Financial Officer	-	No
5.	Chandrasekar R	Chief Technology Operation and Infrastructure officer	74.87	21.93	Permanent	Holds Bachelor's Degree in Science and Masters degree in Computer application from Bharathidasan University. Has over 26 years of experience in the field of technology	December 8, 2006	49 yrs	Sify Technologies Limited	0.05	No
6.	Srikanth V	Vice President – Photography	52.98	29.61	Permanent	Holds Bachelor's degree in Science and Master's of Business Administration. Has 23 years of experience in sales and operations.	September 8, 2014	44 yrs	Videocon Electronics – Next Retail – Head of operations – South & West	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
			Earnings	Perquisite							
7.	Jubby N Jacob	Associate Vice President	59.34	-	Permanent	Master's of Business administration. Has 18 years of experience in sales and operations.	September 23, 2013	41 yrs	Bharti airtel ltd.	-	No
8.	Mugunthan S	Vice President – Technology	47.47	5.29	Permanent	Holds Bachelor's Degree in Engineering at Coimbatore Institute of Technology and M.B.A – Financial management from IGNOU. He has over 25 years of experience	April 4, 2013	53 yrs	Sify Technologies Limited as General Manager - CIO – Information Services	0.01	No
9.	Kiran Vijayakumar	Vice President – Technology	52.37	-	Permanent	Holds Bachelor's degree of Technology (Computer Science & Engineering) from college of engineering, Thiruvanathapuram. Has over 19 years of experience.	July 15, 2015	42 yrs	UST Global – Director, Cloud Practice	-	No
10.	Vijayanand N G	Associate Vice President	42.26	8.72	Permanent	Holds degree in Engineering and Master's of Business Administration. Has 21 years of experience in the field of sales, marketing and product management	Jan 05, 2016	45 yrs	AVP-Credit Cards Product Management Division– HDFC Bank	0.01	No

ANNEXURE C

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year 2017-18

[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 2018, 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 2018 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.

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 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. Consequently the Company is now a listed Company.
- The company has issued and allotted 18210 equity shares of Rs. 5/- each on 21st April 2017 and 116213 shares of Rs. 5/- each on 1st March 2018 pursuant to exercise of options granted under Employee Stock Option scheme 2014.

Place: Chennai

Date : 02.05.2018

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	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit /(Loss) after Taxation	Proposed Dividend	% of Share holding	Country
1.	Sys India Private Limited	INR	-	1,00,000	6,88,799	1,11,92,204	1,11,92,204	0	19,03,742	85,487	26,416	59,071	0	100%	India
2.	Community Matrimony Private Limited	INR	-	1,00,000	-1,00,000	0	0	0	0	-2,73,572	0	-2,73,572	0	100%	India
3.	Tambulya Online marketplace Private Limited	INR	-	3,05,00,000	-3,05,00,000	0	0	0	0	-8,42,290	0	-8,42,290	0	100%	India
4.	Matchify Services Private Limited	INR	-	4,12,45,000	-4,12,45,000	0	0	0	0	-6,22,481	0	-6,22,481	0	100%	India
5.	Consim Info USA Inc	USD	64.81	45,120	-5,60,11,075	5,74,23,817	5,74,23,817	0	42,78,20,603	24,19,22,669	0	24,19,22,669	0	100%	USA

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 2017-18.

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

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

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

ANNEXURE F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

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

I. Registration and Other Details:

i)	CIN	:	U63090TN2001PLC047432
ii)	Registration Date	:	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 details	:	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor
		:	MRC Nagar, Chennai - 600028
vi)	Whether listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad - 500032

II. Principal Business Activities of the Company

S.No	Name and Description of Main Product/ Services	NIC Code of the Product	% to Total Turnover of the Company
1.	Matrimonial matchmaking 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.	Community Matrimony Private Limited Arihant – E- Park, 6th Floor, No.117/1 Lattice Bridge Road, Adyar, Chennai - 600020	U74999TN2009PTC072210	Subsidiary	100%	2(87)(ii)
3.	Matchify Services Private Limited No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	U74900TN2014PTC097993	Subsidiary	100%	2(87)(ii)
4.	Tambulya Online Marketplace Private Limited No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Chennai - 600028	U74999TN2015PTC098929	Subsidiary	100%	2(87)(ii)
5.	Consim Info USA Inc., 220 Davidson Ave, Suite 315, Somerset, New Jersey 08873	NA	Subsidiary	100%	2(87)(ii)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Share Holders	No of Shares held at the beginning of the Year (as on 1.4.2017)				No of shares held at the end of the year (as on 31.3.2018)				% of change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	1,18,13,213	-	1,18,13,213	55.61%	1,14,28,766	-	1,14,28,766	50.32%	(5.29%)#
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)	**1,18,13,213**		**1,18,13,213**	**55.61%**	**1,14,28,766**		**1,14,28,766**	**50.32%**	**(5.29%)**
B. PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	-	-	-	-	1972160	-	1972160	8.68%	-
b) Banks/FI	-	-	-	-	306	-	306	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	17,74,669	7,66,694	25,41,363	11.96%	23,78,488		23,78,488	10.47%	(1.49%)
i) Others (Specify) Foreign Company and Foreign Portfolio Investors	60,79,124	4,31,504	65,10,628	30.65%	60,89,856		60,89,856	26.81	(3.84%)
Sub Total (B) (1)	**78,53,793**	**11,98,198**	**90,51,991**	**42.61%**	**1,04,40,810**		**1,04,40,810**	**45.97**	**3.36%**
2 Non Institutions									
a) Bodies Corporate									
i) Indian	8,525	-	8,525	0.04%	95,290		95,290	0.42%	0.37%
ii) Overseas	-				-	-	-		
b) Individuals	-				-	-	-		
i) Individuals Shareholders holding Nominal share capital up to Rs.1 Lakh	95,443	45,124	1,40,567	0.66%	3,84,367	28,578	4,12,945	1.82%	1.16%
ii) Individuals shareholders holding Nominal share in excess of Rs.1 Lakh	82,834	44,676	1,27,510	0.60%	98,600	44,676	1,43,276	0.63%	0.03%
c) Others (specify) NRI, NBFC, Non-Repatriable Non Resident, Clearing Members & Foreign Nationals	53,309	46,476	99,785	0.47%	1,88,024	1,800	1,89,824	0.84%	0.37%
Sub Total (B) (2)	**2,40,111**	**1,36,276**	**3,76,387**	**1.77%**	**7,66,281**	**75,054**	**8,41,335**	**3.71%**	**0.02%**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**80,93,904**	**13,34,474**	**94,28,378**	**44.39%**	**1,12,07,091**	**75,054**	**1,12,82,145**	**49.68%**	**5.29%**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-				-	-	-	-	-
GRAND TOTAL (A+B+C)	**1,99,07,117**	**13,34,474**	**2,12,41,591**	**100%**	**2,26,35,857**	**75,054**	**2,27,10,911**	**100%**	**-**

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

the difference is due to dilution on account of allotment of shares and sale of shares in IPO

(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	Shri. Murugavel J	1,18,13,213	55.61%	-	1,14,28,766	50.32%	-	5.29%
	TOTAL	**1,18,13,213**	**55.61%**	**-**	**1,14,28,766**	**50.32%**	**-**	**5.29%**

* 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		Shareholding at the end of the year		Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Co	No. of shares	% of total shares of the company
1	**Shri. Murugavel J**				
	At the beginning of the year	1,18,13,213*	55.61%		
	Less: Sale of shares in IPO on 19-09-2017	3,84,447	5.29%		
	At the end of the year	**1,14,28,766**	**50.32%**	**1,14,28,766**	**50.32%**

* 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	50,49,622	23.77%	50,49,622	23.77%
	Sale of Shares in IPO on 19-09-2017	16,83,207	7.45%	33,66,415	14.90%
	At the end of the year	**33,66,415**	**14.82%**	**33,66,415**	**14.82%**
2	**Mayfield XII Mauritius**				
	At the beginning of the year	25,34,248	11.93%	25,34,248	11.93%
	Sale of Shares in IPO on 19-09-2017	1,55,760	0.69%	23,78,488	10.53%
	At the end of the year	**23,78,488**	**10.47%**	**23,78,488**	**10.47%**
3	**HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND & HDFC CAPITAL BUILDER FUND**				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company in IPO on 19-09-2017	16,68,188	7.38%	16,68,188	7.38%
	Add: Market Purchase				
	29-09-2017	2,94,600	1.30	19,62,788	8.69
	02-03-2018	127	0.00	19,62,915	8.64
	16-03-2018	62	0.00	19,62,977	8.64
	At the end of the year	**19,62,977**	**8.64%**	**19,62,977**	**8.64%**
4	**GOLDMAN SACHS INDIA LIMITED**				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company in IPO on 19-09-2017	9,55,568	4.23%	9,55,568	4.23%
	At the end of the year	**9,55,568**	**4.20%**	**9,55,568**	**4.20%**
5	**SMALLCAP WORLD FUND, INC**				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company in IPO on 19-09-2017	7,64,400	3.38%	7,64,400	3.38%

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
	Add: Market Purchase				
	08-12-2017	5,779	0.03	7,70,179	3.41
	15-12-2017	5,180	0.02	7,75,359	3.43
	12-01-2018	4,761	0.02	7,80,120	3.45
	19-01-2018	5,923	0.03	7,86,043	3.48
	26-01-2018	2,297	0.01	7,88,340	3.49
	02-02-2018	2,131	0.01	7,90,471	3.50
	09-02-2018	5,623	0.02	7,96,094	3.52
	16-02-2018	429	0.00	7,96,523	3.53
	23-02-2018	63	0.00	7,96,586	3.53
	02-03-2018	122	0.00	7,96,708	3.51
	16-03-2018	378	0.00	7,97,086	3.51
	23-03-2018	1,535	0.01	7,98,621	3.52
	At the end of the year	**7,98,621**	**3.52**	**7,98,621**	**3.52**
6	**ICG Q LIMITED**				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company in IPO on 19-09-2017	1,72,608	0.76	1,72,608	0.76
	At the end of the year	**1,72,608**	**0.76**	**1,72,608**	**0.76**
7	**HORNBILL ORCHID INDIA FUND**				
	At the beginning of the year	***	***	***	***
	Add: Market Purchase				
	06-10-2017	37,346	0.17	37,346	0.17
	13-10-2017	27,654	0.12	65,000	0.29
	20-10-2017	4,137	0.02	69,137	0.31
	27-10-2017	32,863	0.15	1,02,000	0.45
	31-10-2017	11,998	0.05	1,13,998	0.50
	03-11-2017	2,997	0.01	1,16,995	0.52
	10-11-2017	6,146	0.03	1,23,141	0.54
	17-11-2017	11,406	0.05	1,34,547	0.60
	24-11-2017	3,453	0.02	1,38,000	0.61
	09-03-2018	852	0.00	1,38,852	0.61
	16-03-2018	4,148	0.02	1,43,000	0.63
	30-03-2018	6,500	0.03	1,49,500	0.66
	At the end of the year	**1,49,500**	**0.66**	**1,49,500**	**0.66**
8	**ABU DHABI INVESTMENT AUTHORITY - LGLINV**				
	At the beginning of the year	***	***	***	***
	Add: Market Purchase				
	06-10-2017	37,848	0.17	37,848	0.17
	13-10-2017	34,499	0.15	72,347	0.32
	20-10-2017	14,307	0.06	86,654	0.38
	27-10-2017	1,500	0.01	88,154	0.39
	03-11-2017	19,583	0.09	1,07,737	0.48
	10-11-2017	3,015	0.01	1,10,752	0.49
	17-11-2017	5,200	0.02	1,15,952	0.51
	24-11-2017	9,879	0.04	1,25,831	0.56
	01-12-2017	4,700	0.02	1,30,531	0.58
	08-12-2017	6,700	0.03	1,37,231	0.61
	15-12-2017	5,000	0.02	1,42,231	0.63
	At the end of the year	**1,42,231**	**0.63**	**1,42,231**	**0.63**

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
9	**DB INTERNATIONAL (ASIA) LTD**				
	At the beginning of the year	***	***	***	***
	Add: Purchase of shares in IPO on 19-09-2017	1,63,309	0.72	1,63,309	0.72
	Less: Market Sale				
	22-09-2017	41,940	0.19	2,05,249	0.91
	At the end of the year	**1,21,369**	**0.53**	**1,21,369**	**0.53**
10	**BARING PRIVATE EQUITY INDIA AIF**				
	At the beginning of the year	***	***	***	***
	Add: Market Purchase				
	06-10-2017	10,826	0.05	86,979	0.38
	13-10-2017	679	0.00	87,658	0.39
	31-10-2017	5,800	0.03	93,458	0.41
	01-12-2017	1,457	0.01	94,915	0.42
	08-12-2017	5,632	0.02	1,00,547	0.45
	05-01-2018	7,200	0.03	1,07,747	0.48
	At the end of the year	**1,07,747**	**0.47**	**1,07,747**	**0.47**

Note: The date of market purchase/sale is based on the beneficial position as at end of each week. Hence, the actual date of purchase/sale may differ.

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name (For Each of the Directors and KMP)	Shareholding at the end of the year		Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Co	No. of shares	% of total shares of the company
1	**Shri. Murugavel J**				
	At the beginning of the year	1,18,13,213*	55.61%	1,18,13,213	55.61%
	Less: Sale of shares in IPO on 19-09-2017	3,84,447	5.29%	1,14,28,766	50.32%
	At the end of the year	**1,14,28,766***	**50.32%**	**1,14,28,766**	**50.32%**
2	**Shri. George Zacharias**				
	At the beginning of the year	44,676	0.21	44,676	0.21
	At the end of the year	**44,676**	**0.20**	**44,676**	**0.20**
3	**Smt. Deepa Murugavel**				
	At the beginning of the year	4,007	0.02	4,007	0.02
	At the end of the year	**4,007**	**0.02**	**4,007**	**0.02**
4	**Shri. Milind S Sarwate**				
	At the beginning of the year	5,324	0.03	5,324	0.03
	At the end of the year	**5,324**	**0.02**	**5,324**	**0.02**
5	**Shri. K Balasubramanian**				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company in IPO on 19-09-2017	190	***	190	***
	At the end of the year	**190**	*******	**190**	*******
6	**Shri. S Vijayanand**				
	At the beginning of the year	720	***	720	***
	Shares alloted pursuant to exercise of stock options on 21-04-2017	720	***	1,440	***
	At the end of 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	4,437.60	-	-	4,437.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ ii+ iii)	**4,437.60**	**-**	**-**	**4,437.60**
Change in Indebtedness during the financial year Addition Reduction	3,796.13	-	-	3,796.13
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	641.47	-	-	641.47
Total (i+ ii+ iii)	**641.47**	**-**	**-**	**641.47**

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	1,06,77,000	1,06,77,000
	b) Value of perquisites u/s 17(2) of the Income Tax Act 1961	32,400	32,400
	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)	1,12,02,288	1,12,02,288
	TOTAL (A)	**2,19,11,688**	**2,19,11,688**
	Ceiling as per the Act	Not applicable*	

* Ceiling not applicable pursuant to Rule 7(2) of Companies Appointment & Remuneration Rules 2014).

B. Remuneration to other Directors

S.No	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Milind S Sarwate	George Zacharias	
	- Fees for attending Board/Committee Meetings	26,00,000	17,00,000	43,00,000
	- Commission	-	-	-
	- Others, please specify	-	-	-
2	Other Non-Executive Directors	Nil	Nil	Nil
	- Fees for attending Board/Committee Meetings			
	- Commission			
	- Others, please specify			
	Total (B)=(1+2)	**26,00,000**	**17,00,000**	**43,00,000**
	Overall Ceiling as per the Act	26,00,000 (Rs. 1 lakh per meeting for 26 meetings)	17,00,000 (Rs. 1 lakh per meeting for 17 meetings)	

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

S.No	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,04,748	91,36,410	1,07,41,158
	(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	3,02,170	-	3,02,170
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify.	-	-	-
5.	Others, please specify (Variable performance pay & Special Incentive)	2,73,016	31,61,557	34,34,573
	TOTAL	**21,79,934**	**1,22,97,967**	**1,44,77,901**

Note: The amount mentioned in the "Others" includes variable performance pay for the year 2017-18, indicates the maximum eligible amount payable and not the actual amount paid.

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 Corporte 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 2018.

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 2018, 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 LODR, none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and no Independent Director is serving as whole-time director in a listed company.

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 2018,.

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 2018

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 Independent Director

Note:

a) Shri Chinni Krishnan Ranganathan relinquished the post of Chairman with effect from November 16, 2017. However, he continues to be an Independent Director in the Company.

b) Shri Murugavel J Promoter and Managing Director was appointed as Chairman with effect from November 16, 2017.

c) Shri Avneet Singh Kochar and Shri Vishal V Gupta Non-Executive Directors of the company resigned during the year with effect from November 16, 2017. The Directors were representing the shareholders CMDB II and Bessemer India Capital Holdings II Ltd.

d) Shri Nikhil N Khattau, Non-Executive Director, representing the shareholder Mayfield XII, Mauritius resigned during the year with effect from February 1, 2018.

b) The Number of Boards or Board Committees in which the Director is a Member or Chairperson as on 31st March 2018 are given below:

Name of the Director	Number of Directorships in public Companies*	Committee Position**	
		Chairperson	Member
Shri Murugavel J	5	-	1
Smt Deepa Murugavel	1	1	1
Shri George Zacharias	1	-	1
Shri Milind Shirpad Sarwate	8	5	9
Shri Chinni Krishnan Ranganathan	3	-	3

* 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.

c) Meetings and Attendance

The Board met nine times during the year on, 21st April 2017, 29th April 2017, 7th June 2017, 12th August 2017, 29th August 2017, 14th September 2017, 16th November 2017, 1st February 2018 and 1st March 2018. 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	9	Yes
Smt Deepa Murugavel	4	No
Shri George Zacharias	5	Yes
Shri Milind Shirpad Sarwate	9	No
Shri Chinni Krishnan Ranganathan	2	Yes

d) The details of the shares held by the Directors of the Company as at 31st March 2018 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	0.2
Shri Milind Shirpad Sarwate	5,324	0.02
Shri Chinni Krishnan Ranganathan	-	-
Total	1,14,82,773	50.56

* 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.

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 http://www.Matrimony.com.com/investor-relations/Independent-Directors-Familiarisation-Programme.pdf.

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	5
2.	Shri George Zacharias	4
3.	Shri Chinni Krishnan Ranganathan	-

During the year the Committee met five times, viz., 21st April 2017, 29th April 2017, 12th August 2017, 16th November 2017 and 1st February 2018.

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 members of the Audit Committee are Independent Directors which is in compliance with 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 been reconstituted consequent to resignation of Shri. Nikhil N Khattau, Non-Executive Director on 1st February 2018

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	4
2.	Shri George Zacharias	4
3.	Shri Chinni Krishnan Ranganathan	1

During the year the Committee met four times, viz., 7th June 2017, 19th September 2017, 16th November 2017 and 21st March 2018.

The Committee has been reconstituted consequent to resignation of Shri. Avneet Singh Kochar and Shri. Nikhil N Khattau, Non-Executive Director on 16th November 2017 and 1st February 2018 respectively. Shri. Chinni Krishnan Ranganathan was inducted as a member on 1st February 2018.

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.

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 2017-18:

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

Particulars	(Rs.)
Board Meeting	100,000
Audit Committee Meeting	100,000
Meeting of Independent Directors	100,000

Details of Sitting Fees paid to Non-Executive Directors during the financial year 2017-18 are as follows:

Name of the Director	Board Meeting # (Rs.)	Committee Meeting (Rs.)	Total (Rs.)
Shri Milind Shirpad Sarwate	10,00,000	16,00,000	26,00,000
Shri George Zacharias	6,00,000	11,00,000	17,00,000
Shri Chinni Krishnan Ranganathan*	-	-	-
Smt Deepa Murugavel*	-	-	-

* Waived their entitlement of receiving sitting fees for attending the meeting
# Includes fee of Rs.100,000 for the meeting of Independent Directors.

(ii) Remuneration to Managing Director during the Financial Year 2017-18:

The remuneration of Shri Murugavel J, Managing Director is governed by the resolution passed by the shareholders at the Extra Ordinary General Meeting held on 25th June 2015 for a period of three years with effect from 1st April 2015 with a basic salary of Rs. 1 Crore in the grade of Rs. 1 Crore to Rs. 1.5 Crore and a Variable performance Pay upto 150% 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. 1,16,64,000 p.a., including allowances / perquisites and other applicable statutory contributions (both employer and employee). He is entitled to a variable performance pay of Rs. 1,04,97,600. His total remuneration for the year amounted to Rs.2,19,11,688.

(iii) Stock options to Non-Executive Director

The Board of Directors has so far granted options to Shri George Zacharias, currently Non-Executive & Independent Director in the year 2010 when the Company was Private Limited Company:

Sl. No.	Date of the Meeting	No of options granted	Terms and Conditions
1.	13-October-2010	1618	Exercise price of Rs. 1525 per option convertible into 1618 equity shares of Re.1 each.
2.	10-January-2012	124586	Additional options issued pursuant to adjustment on account of Bonus issue in the ratio 77:1
3.	23-January-2012	42068	Adjustment on account of Consolidation of shares from Re.1 to Rs.3/-. Accordingly the number of options came down to 42068 and the price reduced to Rs. 58.65 per option.

Except as mentioned above, no stock options were granted to any other current Directors of the Company and there are no convertible instruments issued by the Company. Shri. George Zacharias exercised the options on 30th December 2014 and was allotted 42,068 equity shares of Rs. 3/- each. He was appointed as Independent Director with effect from 27th January 2015 pursuant to conversion of the Company into a public limited Company.

(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. Please refer Note No. 37 - Related Party Transactions – 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	1
2.	Shri Murugavel J	1
3.	Shri Milind S Sarwate	1

The Committee was reconstituted pursuant to resignation of Shri. Nikhil N Khattau and Smt. Deepa Murugavel was inducted as member and Chairman of the Committee on 1st February 2018

During the year the Committee met once on 21st March 2018.

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 received 128 complaints during the year, majority of them pertaining to non receipt of refund and non credit of shares in IPO. All the complaints were resolved and there are no pending complaints as on 31st March 2018.

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 been reconstituted on 1st February 2018 consequent of resignation of Shri Nikhil N Khattau, Non Executive Director. Smt. Deepa Murugavel was appointed as member and Chairman of the Committee.

5. 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	2
2.	Shri Milind S Sarwate	2
3.	Shri C K Ranganathan	-

During the year the Committee met twice , viz., 21st April 2017 and 1st March 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, at the meeting held on 29th April 2017, had constituted Corporate Social Responsibility Committee with the following Members:

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

During the year, the Committee met once on 29th August 2017.

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	1
2.	Shri Milind S Sarwate	1
3.	Shri C K Ranganathan	-

During the year the Committee met once on February 1, 2018. The Committee was reconstituted on February 1, 2018 pursuant to resignation of Shri Nikhil N Khattau and Shri C K Ranganathan was inducted as member .

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

The Committee has been reconstituted on 1st February 2018 consequent of resignation of Shri Nikhil N Khattau, Non Executive Director. Shri. C K Ranganthan was appointed as member of the Committee.

6. Meeting of Independent Directors

The Independent Directors of the Company had met during the year on 21st March 2018 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.

7. 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
27th April 2017	EGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	11 AM
07th June 2017	AGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	11 AM
10th August 2016	AGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	12 PM
21st December 2015	EGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	4 PM
3rd December 2015	EGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	11 AM
30th September 2015	AGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	11 AM
05th August 2015	EGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	2 PM
17th July 2015	EGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	4 PM
25th June 2015	EGM	No. 94, TVH Beliciaa Towers, Tower II, 10th Floor, MRC Nagar, Mandaveli, Chennai - 600028	4 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
30th September 2015	Increase the Foreign Institutional Investors ("FII")/Foreign Portfolio Investors("FPI")/ Non Resident Indian ("NRI") Shareholding limit in the paid up share capital of the Company

(iii) Postal Ballot

Following Special Resolutions were passed during the year under review through Postal Ballot on 2nd January 2018. There are no other matters requiring passing of resolutions through postal ballot is conducted through postal ballot.

Subject Matter of the Special Resolution
Ratification and amendment of the Matrimony.com Limited Employees Stock Option Scheme - 2014 ("ESOS 2014")
Alteration of Articles of Association of the Company

The voting pattern for the above postal ballot is given below

Particulars	Total Valid Votes	Votes in favour of the resolution: No. of Share Holders (Folios)	Votes in favour of the resolution: No. of Shares	Votes in favour of the resolution: % of total number of valid votes cast	Votes against the resolution: No. of Share Holders (Folios)	Votes against the resolution: No. of Shares	Votes against the resolution: % of total number of valid votes cast	Rejected Votes	Votes Abstained
1. Ratification and amendment of the Matrimony.com Limited Employees Stock Option Scheme - 2014 (ESOS 2014).									
E-Voting	1,53,64,301	24	1,43,31,931	93.28	6	10,32,370	6.72	-	-
Postal Ballot	91	7	91	100.00	0	0	0	-	-
TOTAL	**1,53,64,392**	**31**	**1,43,32,022**	**93.28**	**6**	**10,32,370**	**6.72**	**-**	**-**
2. Alteration of Articles of Association of the Company.									
E-Voting	1,53,64,301	24	1,45,50,946	94.71	6	8,13,355	5.29	-	-
Postal Ballot	91	6	76	83.52	1	15	16.48	-	-
TOTAL	**1,53,64,392**	**30**	**1,45,51,022**	**94.71**	**7**	**8,13,370**	**5.29**	**-**	**-**

(iv) Postal Ballot exercise was conducted by Shri. V. Suresh, Practising Company Secretary having his office at No.28, 1st Floor, Ganapathy Colony, 3rd Street, Teynampet, Chennai – 600018.

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

(vi) Procedure for postal ballot

In compliance with Schedule V Part C of the Listing Regulations and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of M/s Karvy Computershare Pvt Ltd for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the e-mail addresses registered with their depository participant (in case of electronic shareholding)/ the Company's registrar and share transfer agents (In case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before their close of voting period. Members desiring to exercise their vote by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the website of the Company www.matrimony.com besides being communicated to the stock exchanges. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

8. 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.

9. General Shareholder Information

a) Details of the forthcoming Annual General Meeting

1.	Date	10th August 2018
2.	Day	Friday
3.	Time	9.30 A.M.
4.	Venue	Kasthuri Srinivasan Mini Hall, The Music Academy, Madras New No. 168(Old No.306), T.T.K. Road Chennai - 600 014.

b) Financial Results Calendar for 2018-19 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2018-19 are as under:

Financial Results for the Quarter ending 30th June 2018	Between 15th July & 14th August 2018
Financial Results for the Quarter ending 30th September 2018	Between 15th October & 14th November 2018
Financial Results for the Quarter ending 31st December 2018	Between 15th January & 14th February 2019
Financial Results for the year ending 31st March 2019	Between 1st May & 30th May 2019
Annual General Meeting of the Company, for the year ending 31st March 2019	July / August 2019

c) Dividend payment date

On or after August 10, 2018 (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:

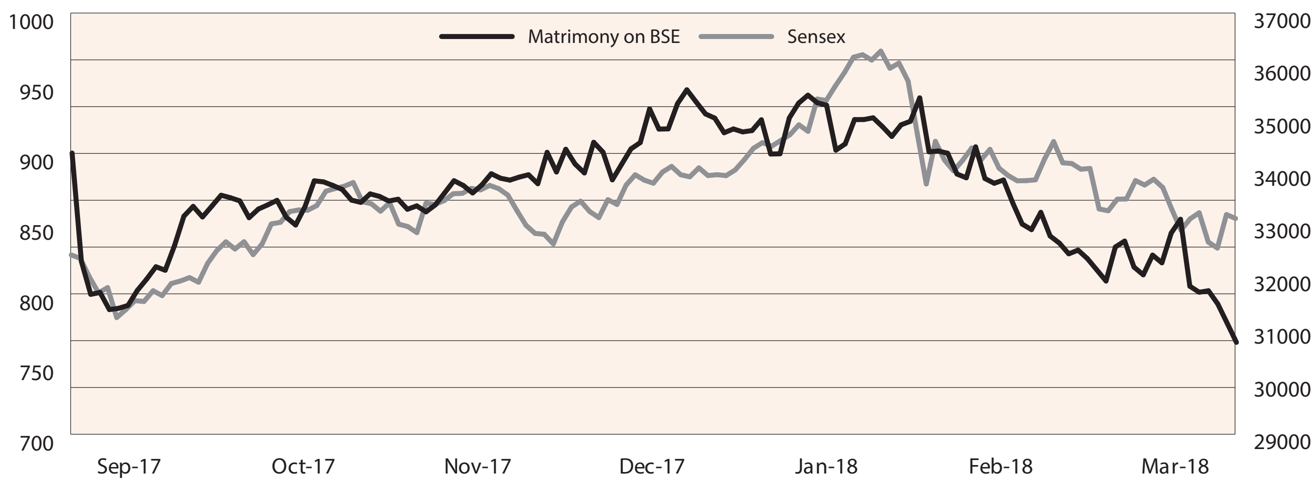
Name of the Stock Exchange	Address	Stock Code
BSE Limited	Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai – 400 001	540704
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	MATRIMONY

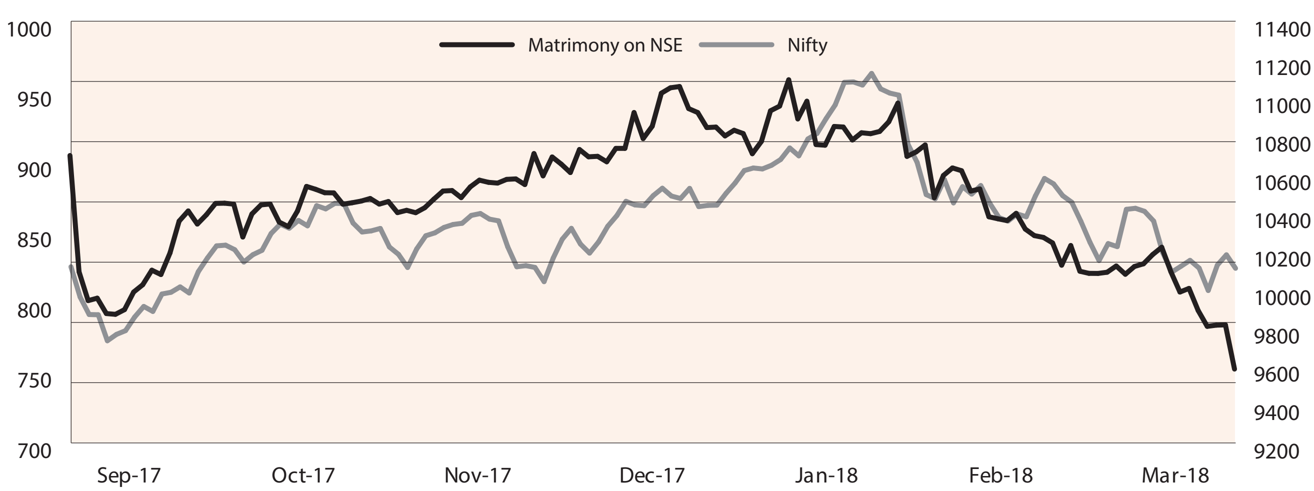
In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2018-19 have been paid to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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
Sep-17	1025	775.35	1024	775.55
Oct-17	883	793.95	885	794
Nov-17	891.8	831	892	850
Dec-17	955	849	958.05	869.9
Jan-18	987.9	889	991	880.15
Feb-18	945	821	955	823
Mar-19	854	751.1	849.95	744

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 Computershare 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 Computershare 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 as at 31st March 2018:

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	50.34
Bodies Corporate				
Trusts				
Promoter shareholding (A)	3	1,14,32,774	1,14,32,774	50.34
(B) Non-Promoters Institutional Investors				
Mutual Funds / UTI	2	19,72,160	19,72,160	8.68
Financial Institutions / Banks	2	306	306	0.00
Insurance Companies	-	-	-	-
Alternative Investment Funds	1	1,07,747	1,07,747	0.47
Foreign Institutional Investors	-	-	-	-
Foreign Portfolio Investor (Corporate)	12	26,15,694	26,15,694	11.52
Foreign Venture Capital Investors	1	23,78,488	23,78,488	10.47
Foreign Companies	1	33,66,415	33,66,415	14.82
Sub Total	**19**	**1,04,40,810**	**1,04,40,810**	**45.96**
General Public	8,190	5,52,213	4,78,959	2.43
NBFC	1	64,878	64,878	0.29
Bodies Corporate	136	95,290	95,290	0.42
Others including HUF, NRIs, Clearing Members etc	496	1,24,946	1,23,146	0.55
Sub Total	**8,823**	**8,37,327**	**7,62,273**	**3.70**
Non-Promoters shareholding (B)	8,842	1,12,78,137	1,12,03,083	49.65
Total Shareholding (A)+(B)	**8,845**	**2,27,10,911**	**2,26,35,857**	**100**

j) The Distribution of Shareholding of the Company as at 31st March 2018 is as follows:

No of Equity shares held	No of shareholders	% of total	No of Shares	% of total
1-5000	8,803	99.53	3,14,726	1.39
5001-30000	20	0.23	1,80,118	0.79
30001-40000	1	0.01	30,509	0.13
40001-50000	4	0.05	1,81,292	0.80
50001-100000	6	0.07	4,19,976	1.85
100001-1000000	7	0.08	24,47,644	10.78
1000001 and above	4	0.05	1,91,36,646	84.26
Total	**8,845**	**100**	**2,27,10,911**	**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

As at 31st March 2018, 22635857 equity shares representing 99.67% 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 form 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 2018.

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, Mandaveli, Chennai – 600028
Phone: +91 44 24631500 Fax : +91 44 24631777
e-mail:investors@matrimony.com

(or)

M/s. Karvy Computershare 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.

o) 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 on Corporate Governance

Compliance Certificate dated May 3, 2018 from our Statutory Auditors, M/s. SR Batliboi Associates LLP is given at the end of the report.

10. 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) 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.

i) 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. However, certain non-compliances of earlier years with respect to Foreign Exchange Management Act, 1999 is in the process of getting compounded.

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

k) 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.

l) 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.

m) The Company pays only sitting fees to non-executive Directors within the limits specified under Companies Act, 2013 and hence the requirement of obtaining shareholders' approval does not apply to the Company

n) 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.

o) 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.

p) 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.

q) 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.

r) 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

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

t) Credit Rating

The Company has not obtained any credit rating

11. CEO / CFO Certification

The Chairman & Managing Director of the Company Shri Murugavel J, along with Chief Financial Officer of the Company Shri K Balasubramanian, 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 2017-18.

12. 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 at the end of the report.

13. 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.

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 2018.

For Matrimony.com Limited

Place: Chennai
Date : 3rd May 2018

Murugavel J
Chairman & Managing Director

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
94, TVH Beliciaa towers,
Tower 2, 10th floor,
MRC Nagar, Mandaveli,
Chennai - 600 028

1. The Corporate Governance Report prepared by Matrimony.com Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

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 the specific requirements of the Listing Regulations referred to in paragraph 3 above.
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 Noteon 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. Reading and understanding of 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, 2018 and verified that atleast 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, 2017 to March 31, 2018:
      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General meeting;
      (d) Nomination and Remuneration committee;
      (e) Stakeholders Relationship committee;
      (f) Risk & Governance committee;
      (g) Share allotmentcommittee;
      (h) Corporate Social Responsibility committee; and
      (i) Independent Directors meeting
   v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
   vi. 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, 2018, referred to in paragraph 3 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 SR Batliboi & Associates LLP
Chartered Accountants
Firm Registration No. 101049W/E300004

per Shankar Srinivasan
Partner
Membership No: 213271
Place of Signature: Hyderabad
Date: May 3, 2018

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview

Indian Demographics for Matchmaking and Marriages

India is one of the world's most populous countries with an estimated population of approximately 1.28 billion as of July 2017, according to the CIA Factbook.

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 females and 21 to 35 years for males, 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.

Overview of Matchmaking Industry in India

Matchmaking has traditionally been a very fragmented and unorganized industry in India, with friends and family being the predominant channel of matchmaking. Other offline channels of matchmaking include traditional matchmakers/brokers, community marriage bureaus, pundits/ maulvis/priests and classifieds (prints).

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.

Key Drivers of Growth for Online Matchmaking in India

<u>Favorable demographic trends</u>

Approximately 12 million marriages took place in India in 2016, which translates to 24 million individuals who got married. Further, it is estimated that in 2016, around 100 million individuals in India who were unmarried, there were approximately 68 million individuals in India who were actively seeking prospective life partners. Given the predominant younger population base in India, approximately 60 million weddings are estimated to take place in India from 2017 to 2021 (both years included).

<u>Increasing internet and mobile internet penetration</u>

According to industry estimates, the Internet and mobile penetration in India have seen a massive growth in the last decade and will continue to grow exponentially in the next five years.

KPMG India & Google report on "Indian Languages- Defining India's Internet" in April 2017 estimated that in 2011, there were approximately 110 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile)) in India. According to the report the number of Internet users in India is expected to reach over 735 million users by 2021 a CAGR of 21%, which would increase the penetration level to approximately 54.00% of the Indian population. By comparison, as of July 1, 2016 the penetration level was approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com).

In addition, it is expected that the Internet penetration for the age group of 18 to 35 years is twice the Internet penetration for India. This increase in Internet penetration is expected to translate into an increased base of Internet users and mobile Internet users for this age group.

<u>Cultural receptivity to arranged marriages</u>

Arranged marriages have been traditionally accepted by the Indian society as a means by which brides, grooms, their immediate family, relatives and friends, community elders, matchmaking agencies and matrimonial sites, searched for a potential marriage partner for an individual in light of such individual's backgrounds, including religion, caste and regional origin. Parents tend to be the primary decision makers although with increasing education levels, the bride and groom are also having their say. The customer who registers on the online matrimonial sites is predominantly by the prospects themselves and is above 60%. Notwithstanding changes which have taken place in the Indian society, arranged marriage has continued to maintain its vitality as the societal institution. According to the United Nations Children's Fund, Human Rights Council, ABC News, as of 2016, approximately 88.40% of marriages in India are arranged and the remaining 11.60% of marriages in India are closer to love marriages, being marriages based upon mutual love, affection, commitment and attraction.

<u>Increasing mobility of individuals in Indian society</u>

Increasing number of Indians are leaving their native places and moving out of India or their own societies in search of a job or a better lifestyle. However, when it comes to marriage, it has been ordinarily seen that they prefer to get married with people from their communities with similar background in terms of caste, religion, linguistic and regional features. Creation of new industry clusters in various parts of India have led to a movement of young Indians to places where they could find an ideal job and this segment is expected to drive the growth in the resident Indian segment as well.

<u>Increased freedom of choice over life decisions</u>

A multitude of factors like increased exposure to other cultures, higher educational levels and joint families giving way to nuclear families in the Indian society has led to new generation of Indians who are more actively taking control over taking their lives. The younger generation today is increasingly participating in making important decisions in their lives like jobs and marriage as compared to the previous generations. One of the resources singles in India have resorted to for finding their life partners is online matchmaking sites which provide them access to a huge database and help them approach potential bride/bridegroom after applying a desired selection criteria to search on such database

Overview of Marriage Services Industry in India

The majority of the categories of marriage services in India are unorganized and highly fragmented, presenting a potential opportunity for an organized aggregator to provide these services.

There is a huge disparity in income levels and prosperity across different regions in India. The disparity in income requires Indian service providers to be flexible with respect to the various pricing options for marriage services.

Besides the regional differences, Indian wedding spend is driven by three key parameters, which are number of guests, number of days and income level. Indian wedding spend can be classified into four major categories - Elite, High, Medium and Low.

Key Drivers of Growth for Marriage Services in India

Rising disposable incomes

Marriages are the biggest event in families in India and are a crucial part of Indian tradition and culture. Indians spend a large part of their income and savings on the wedding of their children. 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.

Demographic benefits

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.

Move towards convenience/outsourcing

As Indian weddings become more elaborate, personalized and tailored, it requires more effort from the family and community of the marrying couple. In this regard, there is a gradual shift towards convenience and outsourcing of activities pertaining to marriage services. This will also result in an increase in marriage services spend.

Our Business

Our business currently comprises two segments - (i) matchmaking services and (ii) marriage services. Around 95% of the revenue is from matchmaking segment and the rest is from marriage services.

We are the leading provider of online matchmaking services in India in terms of the average number of website pages viewed by unique visitors. 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. 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) and we believe that our other matchmaking brands such as CommunityMatrimony.com and EliteMatrimony.com are well-established in India.

As one of the first companies to provide online matchmaking services in India, we believe that we have an early mover advantage among consumers seeking online matchmaking services. As of Mar 18, we had a large database of profiles comprising 3.40 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period), which we believe creates a network effect that attracts more users to register or subscribe through our websites, mobile sites and mobile apps and also results in higher customer engagement, which in turn drives monetization of our user base and enables us to maintain a leading position in the online matchmaking market in India. We also believe that we have a high degree of brand recall.

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.

We leverage technology and analytics across all stages of the matchmaking process to drive acquisition of profiles, assist members in completing their profiles, validate profiles based on rules designed to remove inappropriate content in near real-time, identify appropriate channels of service for members and assist members in choosing the right packages, thereby helping in value creation and monetization. We believe that such technology and analytics are secure, scalable and analyze large volumes of data.

We intend to continue to invest in our mobile platform in view of the increasing mobile usage among users in India. To increase our footprint on the mobile platform, we have developed a range of mobile apps across mobile platforms including iOS, Android & Windows and intend to continue to expand our mobile offerings. Our BharatMatrimony mobile app has been recognized as the best app in the social category at the Global Mobile App Summit and Awards held in July 2016 and July 2017. In addition, we have recently introduced mobile apps for our BharatMatrimony regional sites and certain community sites which have led to an increase in profile registrations.

The marriage services industry in India is estimated to be worth approximately Rs 3500 billion in 2016, with catering, decoration, venue, gifts and photography accounting for approximately over 60%. However, the majority of the categories of marriage services in India are unorganized and highly fragmented, presenting a potential opportunity for an organized aggregator to provide these services. In this regard, we are expanding into the growing marriage services market to complement and leverage off our online matchmaking services. For example, we have launched marriage services such as, MatrimonyPhotography.com in Southern States to provide wedding photography and videography services, MatrimonyBazaar.com in select towns of Tamil Nadu to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers' wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in select towns in Tamil Nadu. We believe that our diversification beyond online matchmaking to marriage services, through the launch of marriage services initiatives, provides an opportunity for us to tap into this emerging segment. We believe that the provision of ancillary marriage services is an extension of our online matchmaking business and we will benefit from having a common customer base that has been acquired over the years through our online matchmaking business.

To support our online matchmaking services and marriage services initiatives, we have devoted resources to developing and maintaining our sales infrastructure, sought to develop innovative products and product features to enhance user experience through our research and development ("R&D") efforts, instituted information security policies and established corporate governance policies and practices.

Financial Performance

In fiscal 2018 and fiscal 2017 we generated consolidated Sales of Rs 34,179 Lakhs and Rs 29,668 Lakhs respectively, representing a growth of 15.2%. Our consolidated Income for the fiscal 2018 and fiscal 2017 was Rs 33,554 Lakhs and Rs 29,293 Lakhs respectively, signifying a growth of 14.5%. The consolidated profit before exceptional items, interest, tax, depreciation and amortization (EBITDA) was at Rs 7,769 Lakhs in current fiscal as against Rs 5,895 Lakhs in fiscal 2017, registering a growth of 31.8%. The Profit before Tax and exceptional items was at Rs 7,293 Lakhs in the current fiscal as against Rs 4,735 Lakhs in last fiscal, recording a growth of 54.0%. During the current fiscal year a sum of Rs 1,282 Lakhs has been received from the Managing Director Shri. Murugavel Janakiraman, towards the obligation he had as per the terms of the agreement with the defendants of a legal suit in USA and this sum has been effectively disclosed as an exceptional income. Profit after tax for the year is at Rs 7,386 Lakhs as against Rs 4,297 Lakhs in fiscal 2017. Company has been consistent in generating Cash from the operations before exceptional and taxes and recorded a generation of Rs 9,611 Lakhs in the fiscal year 2018. Policy of the Company on surplus cash is to invest in bank fixed deposits and liquid funds. Current market value of fixed deposit and liquid mutual funds as on 31st Mar 2018 was Rs 16,557.87 Lakhs.

Our Approach to way forward

To sustain our future growth and development, we have employed and will continue to employ the following strategies:

- Expand Our User Base
- Enhance customer experience
- Continue Investments in Mobile Platform
- Further Strengthen Our Brands
- Continue to Expand into the identified Marriage Services
- Invest in New Product development and Process improvements
- Drive efficiencies

Risk Management

Risk management refers to the formal processes whereby risks associated with the "enterprise", as a whole, are managed. Risk management encompasses the following sequence:

- Identification of risks and risk owners
- Evaluation of the risks as to likelihood and consequences
- Assessment of options for mitigating the risks
- Prioritising the risk management efforts
- Development of risk management plans
- Authorisation for the implementation of the risk management plans
- Implementation and review of the risk management efforts

Risk management strengthens the robustness of the business. The Company has an established risk assessment and minimisation procedure. There are normal constraints of time, efficiency and cost. Some of the risks associated with the business and the related mitigation plans are discussed hereunder. The risks given below are not exhaustive and the evaluation of risk is based on management's perception.

A Risk Management Committee of the Board of Directors has been constituted specifically 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

Nature of Risk	Why Considered as Risk	Mitigation Plan
Business Portfolio	New segments are in early stage and may require additional resources to scale up.	1. Develop long term plan and pursue profitable growth segments. 2. Constant review performance and improve and enhance operational controls.
HR Risk	Ability to attract talent, especially people with domain knowledge for new projects|Retention of talent	1. Corporate brand building 2. Robust recruitment process 3. Structured induction and on the job training 4. Coaching and team building 5. Individual career and development plan 6. Effective communication exercises 7. Continuous engagement with identified talent pool
Competition	Reduction in unit price affecting Revenue and market share	1. New Product introduction 2. Enhance Value Proposition to the customer
Internal Control Risk	Multiple locations	1. Review of controls in a structured manner, at defined frequency. 2. Risk based audit
IT Related Risk	Confidentiality, integrity and availability	1. Access controls 2. Secure Network Architecture 3. Infrastructure redundancies and disaster recovery mechanism 4. Audit of controls

INDEPENDENT AUDITOR'S REPORT

To the Members of Matrimony.com Limited

Report on the Standalone Ind AS Financial Statements

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, 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Companies Act, 2013 ("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 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of 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, 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such Controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer Note 36(d) 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 were no amounts which were 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 Shankar Srinivasan
Partner
Membership Number: 213271
Place of Signature: Hyderabad
Date: May 3, 2018

Annexure 1 referred to under Paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report on Standalone Ind AS Financial Statements

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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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 clause 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of investments and guarantee made have been complied with by the Company and provisions with respect to Section 185 of the Companies Act, 2013 does not apply to such investments and guarantee made by the Company. The Company did not have any loans and securities granted in respect of which provisions of Sections 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, sales-tax, service tax, goods and services tax, customs duly, value added tax, cess and other material statutory dues applicable to it. The provisions relating to duty of custom, excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and services tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, goods and services tax, custom duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Tax paid under protest (Rs in lakhs)	Net due (Rs. in lakhs)	Period to which the amount related	Forum where the dispute is pending
Finance Act, 1994	Service tax	26.20	12.91	13.29	FY 2005-06 to 2006-07	Customs, Excise & Service tax Appellate Tribunal
Finance Act, 1994	Service tax	73.49	73.49	Nil	FY 2007-08 to 2009-10	Customs, Excise & Service tax Appellate Tribunal

Note: In respect of income tax demands relating to AY 2008-09 to 2015-16, no amounts have been reported under this clause as there are no outstanding demands as the related orders which have been disputed by the Company have only reduced the losses returned by the Company for the respective years.

(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) In our opinion and according to information and explanations given by the management, monies raised by the company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 13,000 lakhs, and there were no amounts outstanding at the end of the year.

(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 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Shankar Srinivasan
Partner
Membership Number: 213271
Place of Signature: Hyderabad
Date: May 3, 2018

Annexure 2 to the Independent Auditor's report of even date on the Standalone Ind AS Financial Statements of Matrimony.com Limited

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

We have audited the internal financial controls over financial reporting of Matrimony.Com ("the Company") as of March 31, 2018 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Shankar Srinivasan
Partner
Membership Number: 213271
Place of Signature: Hyderabad
Date: May 3, 2018

Standalone Balance Sheet as at March 31, 2018

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

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	6,245.14	1,775.50	1,914.19
Intangible assets	3	515.61	646.88	919.30
Intangible assets under development		2.37	-	-
Investment in subsidiaries	4	1.45	2.45	4.44
Financial Assets				
(a) Security deposits	5	1,010.09	773.95	390.64
(b) Bank balances other than cash and cash equivalents	7	0.75	0.75	0.75
Deferred tax assets (net)	13	280.61	149.96	-
Non-current tax assets (net)		351.74	349.35	308.56
Other non-current assets	11	333.95	433.03	210.91
Total non-current assets		**8,741.71**	**4,131.87**	**3,748.79**
Current assets				
Financial Assets				
(a) Security deposits	5	155.04	119.30	710.42
(b) Cash and cash equivalents	6	1,303.60	287.87	425.99
(c) Bank balances other than cash and cash equivalents	7	8,112.45	5,212.09	4,950.32
(d) Investments	9	7,372.85	-	-
(e) Trade receivables	10	528.26	960.03	580.60
(f) Other financial assets	8	251.95	309.90	282.23
Other current assets	12	430.66	1,168.55	1,428.03
		18,154.81	**8,057.74**	**8,377.59**
TOTAL ASSETS		**26,896.52**	**12,189.61**	**12,126.38**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	1,135.55	1,062.08	738.91
Other equity	15			
(a) Equity component of convertible preference shares		-	-	180.39
(b) Securities premium account		12,502.66	171.20	215.09
(c) Retained earnings		3,592.72	(1,333.85)	(3,582.55)
(d) Share based payment reserve		87.24	115.62	114.51
Total equity		**17,318.17**	**15.05**	**(2,333.65)**
Non-current liabilities				
Financial liabilities				
(a) Borrowings	16	-	-	15.61
Other non-current liabilities	18	30.31	23.90	107.42
Provisions	19	39.64	195.11	161.77
Total non-current liabilities		**69.95**	**219.01**	**284.80**
Current liabilities				
Financial liabilities				
(a) Borrowings	16	641.47	4,437.60	4,819.25
(b) Trade payables	17 A	1,706.21	1,464.21	2,856.04
(c) Other payables	17 B	45.27	154.74	787.08
Other current liabilities	18	6,569.24	5,317.61	5,191.23
Provisions	19	468.41	581.39	521.63
Liabilities for current tax (net)		77.80	-	-
		9,508.40	**11,955.55**	**14,175.23**
Total current liabilities		**9,578.35**	**12,174.56**	**14,460.03**
TOTAL EQUITY AND LIABILITIES		**26,896.52**	**12,189.61**	**12,126.38**

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

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Shankar Srinivasan
Partner Membership No: 213271

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Hyderabad
Date : May 3, 2018

Place: Chennai
Date : May 3, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

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

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	20	30,821.32	26,746.71
Other income	22	23.91	21.55
Total income		**30,845.23**	**26,768.26**
Expenses			
Employee benefits expense	23	13,274.81	11,608.10
Advertisement and business promotion expenses	26	5,592.33	5,185.57
Other expenses	27	6,644.33	6,226.88
Total expenses		**25,511.47**	**23,020.55**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)		**5,333.76**	**3,747.71**
Depreciation and amortisation expense	24	957.15	1,034.45
Finance costs	25	125.98	441.52
Finance income	21	(639.01)	(453.99)
Profit before exceptional items and tax		**4,889.64**	**2,725.73**
Exceptional items	28	(1,281.92)	438.75
Profit before tax		**6,171.56**	**2,286.98**
Tax expense	**29**		
- Current income tax		**1,287.12**	**149.96**
- Deferred tax (net)		**(98.39)**	**(149.96)**
Total tax expense		1,188.73	-
Profit for the year (I)		**4,982.83**	**2,286.98**
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit obligations	**30**	**(92.32)**	**(52.13)**
Tax impact		**32.26**	**-**
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(60.06)**	**(52.13)**
Other comprehensive loss for the year, net of tax (II)		**(60.06)**	**(52.13)**
Total comprehensive income for the year, net of tax (I + II)		**4,922.77**	**2,234.85**
Earnings per share of INR 5 each			
Basic earnings per share		22.67	12.08
Diluted earnings per share		22.53	10.66

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

Shankar Srinivasan
Partner Membership No: 213271

Place: Hyderabad
Date : May 3, 2018

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Chennai
Date : May 3, 2018

Standalone Statement of Changes in Equity for the year ended March 31, 2018

(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	INR in lakhs
As at April 1, 2016	14,778,256	738.91
As at March 31, 2017	21,241,591	1,062.08
Issue of equity shares (Note 14)	1,469,320	73.47
As at March 31, 2018	**22,710,911**	**1,135.55**

b. Other equity

For the year ended March 31, 2018

	Equity component of compulsory convertible preference shares (Note 14)	Securities premium reserve (Note 15)	Share-based payments reserve (Note 15)	Retained earnings (Note 15)	Total other equity
As at April 1, 2017	**-**	**171.20**	**115.62**	**(1,333.85)**	**(1,047.03)**
Profit for the year	-	-	-	4,982.83	4,982.83
Other comprehensive income (Note 30)	-	-	-	(60.06)	(60.06)
Total comprehensive income	**-**	**-**	**-**	**4,922.77**	**4,922.77**
Exercise of share options (Note 34)	-	175.75	(31.91)	-	143.84
Amounts utilised toward share issue expenses (Note 44)	-	(777.55)	-	-	(777.55)
Issue of share capital (Note 14 & 44)	-	12,933.26	-	-	12,933.26
Share based payment expenses (Note 23)	-	-	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**	**87.24**	**3,592.72**	**16,182.62**

For the year ended March 31, 2017

Particulars	Equity component of compulsory convertible preference shares (Note 14)	Securities premium reserve (Note 15)	Share-based payments reserve (Note 15)	Retained earnings (Note 15)	Total other equity
As at April 1, 2016	**180.39**	**215.09**	**114.51**	**(3,582.55)**	**(3,072.56)**
Profit for the year	-	-	-	2,286.98	2,286.98
Other comprehensive income (Note 30)	-	-	-	(52.13)	(52.13)
Total comprehensive income	**-**	**-**	**-**	**2,234.85**	**2,234.85**
Exercise of share options (Note 34)	-	95.01	(18.90)	-	76.11
Conversion of compulsory convertible preference shares into equity shares	(180.39)	-	-	-	(180.39)
Utilised for bonus shares issued on conversion of preference shares (Note 14)	-	(138.90)	-	-	(138.90)
Share based payment expenses (Note 23)	-	-	33.86	-	33.86
Transferred from share-based payments reserve upon lapse of stock options	-	-	(13.85)	13.85	-
As at March 31, 2017	**-**	**171.20**	**115.62**	**(1,333.85)**	**(1,047.03)**

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

Shankar Srinivasan
Partner Membership No: 213271

Place: Hyderabad
Date : May 3, 2018

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Chennai
Date : May 3, 2018

Standalone Statement of Cash flows for the ended March 31, 2018

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

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from / (used in) operating activities			
Profit before exceptional items and tax		4,889.64	2,725.73
Adjustments - reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	24	957.15	1,034.45
Fair value gain on financial instruments at fair value through profit or loss	22	2.40	-
Impact of fair value changes of interest free security deposits (net)		3.48	0.60
Loss on sale/ write-off of property, plant and equipment (net)	27	1.21	15.07
Unrealised forex (gain) / loss		41.85	33.31
Impairment of financial assets	27	218.83	52.91
Share based payment expenses	23	7.33	33.86
Provision for litigation		-	17.58
Interest expense	25	122.62	435.89
Dividend from investments	21	(120.45)	-
Interest income	21	(518.56)	(453.99)
Operating profit / (loss) before working capital changes		**5,605.50**	**3,895.41**
Movement in working capital :			
(Increase) / decrease in financial assets		25.75	(498.39)
(Increase) / decrease in other assets		775.17	97.37
Increase / (decrease) in trade payables		234.47	(981.19)
Increase / (decrease) other liabilities		1,258.04	42.86
Increase / (decrease) in provisions		(360.77)	23.40
Cash generated from / (used in) operations		**7,538.16**	**2,579.46**
Income taxes paid (net of refunds)		(1,209.25)	(190.81)
Net cash generated from / (used in) operating activities before exceptional items		**6,328.91**	**2,388.65**
Cash flow from / (used in) Exceptional items		1,281.92	(854.76)
Net cash flow from / (used in) operating activities (A)		**7,610.83**	**1,533.89**
Cash flow from / (used in) investing activities			
Purchase of property, plant and equipment including intangible assets		(5,399.61)	(1,012.45)
Proceeds from sale of property, plant and equipment		6.64	9.34
Investment in subsidiaries		-	(53.00)
Investment in mutual funds		(7,254.80)	-
Proceeds from liquidation of subsidiary	28	-	76.95
Interest received		547.13	341.40
Investment in bank deposits (with maturity more than three months) (net)		(2,900.36)	(261.77)
Net cash flow / (used in) investing activities (B)		**(15,001.00)**	**(899.53)**
Cash flows from / (used in) financing activities			
Proceeds from issue of share capital (including securities premium)		12,373.02	79.99
Repayment of borrowings		(3,811.74)	(416.57)
Interest paid		(122.61)	(435.90)
Net cash flow from / (used in) financing activities (C)		**8,438.67**	**(772.48)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		1,048.50	(138.12)
Cash received on acquisition of business	45	3.00	
Effect of exchange differences on cash & cash equivalents held in foreign currency		(35.77)	-
Cash and cash equivalents at the beginning of the year		287.87	425.99
Cash and cash equivalents at the end of the year (refer note 6)		**1,303.60**	**287.87**

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

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Shankar Srinivasan
Partner Membership No: 213271

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Hyderabad
Date : May 3, 2018

Place: Chennai
Date : May 3, 2018

Notes to the standalone financial statements for the year ended March 31, 2018

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 MatrimonyDirectory.com, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Company has also recently introduced MatrimonyPhotography.com to provide wedding photography and videography services.

On September 21, 2017, the Company listed its equity shares with National Stock Exchange of India Ltd and BSE Ltd. 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 3, 2018.

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, read with Companies (Indian Accounting Standards) as amended.

For all periods up to and including the year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 as amended (Indian GAAP). These standalone financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 42 for information on how the Company adopted Ind AS.

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 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.

Notes to the standalone financial statements for the year ended March 31, 2018

b) Property, plant and equipment

As there is no change in the functional currency as at the date of transition, the Company has elected to adopt the carrying value of Plant property and equipment under the Previous GAAP as the deemed cost for the purpose of transition to Ind AS.

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 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.

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 standalone financial statements for the year ended March 31, 2018

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

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

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

h) Revenue and other income

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

Income from services

Revenues from subscriptions towards matrimony service contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax and 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 franchises services (business license fees) recognised as and when the services are rendered as per the terms of the contract.

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

Interest 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.

Dividends

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

i) Foreign currency transactions

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

Notes to the standalone financial statements for the year ended March 31, 2018

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) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefit obligation

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

Retirement benefit in the form of gratuity is a defined benefit scheme. The costs of providing benefit under this plan are determined on the basis of actuarial valuation at each year-end, using the projected unit credit method.

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. 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) 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.

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-

Notes to the standalone financial statements for the year ended March 31, 2018

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.

l) 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.

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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.

m) 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.

n) Fair value measurement

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.

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

Notes to the standalone financial statements for the year ended March 31, 2018

- 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.

o) 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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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.

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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

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.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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.

Notes to the standalone financial statements for the year ended March 31, 2018

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.

p) Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

q) 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.

r) 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.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Refer note 38 for segment information presented.

t) Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent 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.

Notes to the standalone financial statements for the year ended March 31, 2018

(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, 2016	1,301.97	229.72	68.78	117.37	97.00	-	99.35	**1,914.19**	**165.11**	**17.61**	**736.58**	**919.30**
Additions	470.31	67.19	11.72	40.58	0.89	-	-	590.69	-	-	57.08	57.08
Disposals	(29.48)	(7.44)	(3.77)	(15.60)	-	-	-	(56.29)	-	-	-	-
As at March 31, 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 (Note d)	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**
Depreciation/Amortisation as at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	446.33	102.93	29.63	85.83	24.99	-	15.25	704.96	32.86	5.81	290.83	329.50
Disposals	(23.87)	(1.74)	(1.57)	(4.69)	-	-	-	(31.87)	-	-	-	-
Depreciation/Amortisation as at March 31, 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)	-	-	-	-
As at March 31, 2018	**878.23**	**179.95**	**50.15**	**118.29**	**62.85**	**-**	**30.49**	**1,319.95**	**67.59**	**11.62**	**549.75**	**628.96**
Net Block												
As at April 1, 2016	**1,301.97**	**229.72**	**68.78**	**117.37**	**97.00**	**-**	**99.35**	**1,914.19**	**165.11**	**17.61**	**736.58**	**919.30**
As at March 31, 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**

(a) The amount of borrowing costs capitalised during the year ended 31 March 2018 was Nil (March 31, 2017: Nil: April 1, 2016: Nil).

(b) Vehicle with carrying amount of Rs Nil (March 31 2017: 84.00 lakhs: April 1, 2016: 99.35 lakhs) is hypothecated to bank against vehicle loan. There is no loan outstanding as on March 31, 2018.

c) 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.

d) Additions to Computers and Network Equipment and domain 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 45.

Notes to the standalone financial statements for the year ended March 31, 2018
(All amounts are in ₹ lakhs, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4 Investment in subsidiaries - Unquoted equity shares			
*Community Matrimony Private Limited	-	1.00	1.00
– 99,999 (March 31, 2017 - 99,999: April 1, 2016 - 99,999) equity shares of Re. 1 each fully paid up			
(At cost less impairment allowance of Rs. 1.00 lakh (March 31, 2017 - Nil; April 1, 2016: Nil))			
Sys India Private Limited	1.00	1.00	1.00
– 99,900 (March 31, 2017 - 99,900: April 1, 2016 - 99,900) equity shares of Re. 1 each fully paid up			
Consim Info USA Inc., USA	0.45	0.45	0.45
– 1,000 (March 31, 2017 - 1,000: April 1, 2016 - 1,000) equity shares of USD 1 each fully paid up			
Bharat Matrimony LLC., Dubai	-	-	1.99
– Nil (March 31, 2017 Nil; April 1, 2016 - 147) equity shares of AED 1,000 each fully paid up			
**Matchify Services Private Limited	-	-	-
– 4,124,500 (March 31, 2017 - 4,124,500: April 1, 2016 - 3,844,500) equity shares of Rs. 10 each fully paid up	-		-
(At cost less impairment allowance of Rs. 412.45 lakhs (March 31, 2017 - 412.45 lakhs; April 1, 2016: 384.45 lakhs))			
**Tambulya Online Marketplace Private Limited	-	-	-
– 3,050,000 (March 31, 2017 - 3,050,000: April 1, 2016 - 2,800,000) equity shares of Rs. 10 each fully paid up	-		-
(At cost less impairment allowance of Rs. 305.00 lakhs (March 31, 2017 - 305.00 lakhs; April 1, 2016: 280.00 lakhs))			
	1.45	**2.45**	**4.44**
Aggregate amount of unquoted investments (net of impairment allowance)	1.45	2.45	4.44
Aggregate impairment allowance in the value of investments	718.45	717.45	-

* 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 has provided for impairment allowance for the carrying value of such investment amounting to Rs. 1.00 lakh during the year.

** 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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5	**Security deposits**			
	(at amortised cost)			
	Non-current			
	Security deposits			
	Considered good	1,010.09	773.95	390.64
	Considered doubtful	-	-	-
		1,010.09	773.95	390.64
	Less: impairment allowance on deposits	-	-	-
		1,010.09	**773.95**	**390.64**
	Current			
	Security deposits			
	Considered good	155.04	119.30	710.42
	Considered doubtful	13.62	18.01	17.98
		168.66	137.31	728.40
	Less: impairment allowance on deposits	13.62	18.01	17.98
		155.04	119.30	710.42
		1,165.13	**893.25**	**1,101.06**
6	**Cash and cash equivalents**			
	(at amortised cost)			
	Balances with banks on current accounts	376.33	203.10	110.90
	Deposits with original maturity of less than three months*	856.14	-	216.53
	Cheques on hand	24.66	44.77	42.18
	Cash on hand	46.47	40.00	56.38
		1,303.60	**287.87**	**425.99**
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**	**0.75**
	Current			
	Bank balances			
	- Deposits with original maturity of more than 3 months but less than 12 months *	8,112.45	5,212.09	4,950.32

* The Company has pledged Rs. 1,000 lakhs as on March 31, 2018 (Rs. 5,000 lakhs as on March 31, 2017 & Rs. 6,000 lakhs as on April 1, 2016) 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.

Also refer note 46 for disclosure on Specified Bank Notes (SBN) for the year ended March 31, 2017.

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8	**Other financial assets**			
	(at amortised cost)			
	Interest accrued on fixed deposits	215.67	244.24	191.66
	Other receivables from related parties (refer note 37)	-	34.07	36.35
	Loans to employees			
	Considered good	34.99	27.85	33.71
	Considered doubtful	3.38	3.38	-
		38.37	31.23	33.71
	Less: impairment allowance on doubtful advances	3.38	3.38	-
		34.99	27.85	33.71
	Guarantee fee receivable	-	3.74	20.51
	Others	1.29	-	-
		251.95	**309.90**	**282.23**

Notes to the standalone financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9	**Investments (at fair value through profit and loss)**			
	Investment in Mutual funds			
	912,971.81 units (March 31, 2017 & April 1, 2016: Nil units) Aditya birla sun life floating rate fund short term plan daily dividend	913.74	-	-
	86,165.39 (March 31, 2017 & April 1, 2016: Nil units) Axis liquid fund daily dividend	862.86	-	-
	804,379.47 (March 31, 2017 & April 1, 2016: Nil units) ICICI prudential liquid weekly dividend	806.69		
	945,938.82 (March 31, 2017 & April 1, 2016: Nil units) Aditya birla sun life floating rate long term - daily dividend	953.54	-	-
	9,488,612.82 units (March 31, 2017 & April 1, 2016: Nil units) HDFC floating rate income fund short term plan wholesale dividend reinvestment daily	956.54	-	-
	951,579.48 (March 31, 2017 & April 1, 2016: Nil units) ICICI prudential flexible income daily dividend	1,006.16	-	-
	94,183.42 units (March 31, 2017 & April 1, 2016: Nil units) Kotak low duration fund regular plan weekly dividend	957.59	-	-
	5,356,401.30 units (March 31, 2017 & April 1, 2016: Nil units) Reliance medium term fund - daily dividend plan	915.73	-	-
		7,372.85	**-**	**-**
	Aggregate amount of book value unquoted investments	7,372.85	-	-
	Aggregate provision for impairment allowance in value of investments	-	-	-
	Aggregate amount of fair value unquoted investments	7,372.85	-	-
10	**Trade Receivables**			
	(unsecured) (at amortised cost)			
	Trade receivables	299.16	156.11	136.72
	Receivables from related parties (refer note 37)	229.10	803.92	443.88
		528.26	**960.03**	**580.60**
	Trade receivables			
	- considered good	299.16	156.11	136.72
	- considered doubtful	113.15	81.92	69.69
		412.31	**238.03**	**206.41**
	Less: impairment allowance	113.15	81.92	69.69
	Total current trade receivable	**299.16**	**156.11**	**136.72**
	Trade receivables are non-interest bearing and are due immediately.			
Other assets				
11	**Non-current**			
	Capital advances	8.33	116.62	16.19
	Prepaid expenses (long-term)	252.13	242.92	121.23
	Balances with statutory / Government authorities	73.49	73.49	73.49
		333.95	**433.03**	**210.91**
12	**Current**			
	Share issue expenses (refer note 44)	-	872.92	1,035.72
	Prepaid expenses	200.64	115.75	98.12
	Balances with statutory / Government authorities	51.28	16.24	110.55
	Loans and advances to related parties (refer note 37)	-	63.98	58.92
	Advances for supply and services	178.74	99.66	124.72
		430.66	**1,168.55**	**1,428.03**
		764.61	**1,601.58**	**1,638.94**

Notes to the standalone financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
13	**Deferred tax assets (net)**			
	Minimum alternative tax credit entitlement (MAT credit)	149.96	-	-
	Additional MAT credit entitlement recognised during the year	2.38	149.96	-
		152.34	149.96	-
	Deferred tax assets	191.94	-	-
	Deferred tax liabilities	(63.67)	-	-
	Deferred tax asset (net)	**280.61**	**149.96**	**-**
	Reconciliation of deferred tax asset (net)			
	Opening balance	149.96	-	-
	Tax income/(expense) during the year in Profit and Loss	96.01	-	-
	Tax income/(expense) during the year in OCI	32.26	-	-
	MAT credit entitlement recognised during the year	2.38	-	-
	Closing balance	**280.61**	**-**	**-**

Deferred tax relates to the following

Particulars	March 31, 2018 Balance sheet	March 31, 2017 Balance sheet	March 31, 2018 Profit and Loss	March 31, 2017 Profit and Loss	March 31, 2018 OCI	March 31, 2017 OCI
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	-	-	-
Gross deferred tax liability	**63.67**		**63.67**	**-**	**-**	**-**
Deferred tax asset						
MAT credit	152.34	149.96	-	149.96		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	146.08	-	113.82	-	32.26	-
Impairment allowance (doubtful debts and advances)	40.72	-	40.72	-	-	-
Provision for deposits	4.76	-	4.76	-	-	-
Others	0.38	-	0.38	-	-	-
Gross deferred tax asset	**344.28**	**149.96**	**159.68**	**149.96**	**32.26**	**-**
Net deferred tax asset / deferred tax liability	**280.61**	**149.96**	**96.01**	**149.96**	**32.26**	**-**

The tax losses of Company (business and unabsorbed depreciation) as at March 31, 2018 is Rs Nil (March 31, 2017: Rs. 1,879.87 lakhs and April 1, 2016: Rs. 4,767.28 lakhs). No deferred taxes have been created against these losses as at March 31, 2017 and April 1, 2016 in the absence of reasonable certainty that taxable profits will be available in future to utilise these losses.

The Company has re-assessed the previously unrecognised deferred tax assets on certain temporary differences and recognised deferred tax assets (excluding MAT credit) of Rs. 96.01 lakhs in the statement of profit and loss account and Rs. 32.26 lakhs in the statement of other comprehensive income for the year ended March 31, 2018. Accordingly the deferred tax credit relating to year ended March 31, 2018 is not comparable to other periods presented.

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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14	**Share Capital**			
	Authorised shares			
	36,000,000 Equity shares of Rs.5/- each (March 31, 2017: 36,000,000; April 1, 2016: 36,000,000 Equity shares of Rs.5/- each)	1,800.00	1,800.00	1,800.00
	4,200,000 (March 31, 2017: 4,200,000; April 1, 2016: 4,200,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each	210.00	210.00	210.00
	Issued, subscribed and fully paid-up equity shares			
	22,710,911 Equity shares of Rs.5/- each (March 31, 2017: 21,241,591; April 1, 2016: 14,778,256 Equity shares of Rs.5/- each)	1,135.55	1,062.08	738.91
		1,135.55	1,062.08	738.91
	Issued, subscribed and fully paid-up preference shares			
	Nil (March 31, 2017: Nil; April 1, 2016: 1,932,300) CCPS of Rs.5/- each (Series - A)	-	-	96.62
	Nil (March 31, 2017: Nil; April 1, 2016: 1,420,552) CCPS of Rs.5/- each (Series - B)	-	-	71.03
	Nil (March 31, 2017: Nil; April 1, 2016: 254,872) CCPS of Rs.5/- each (Series - C)	-	-	12.74
		-	**-**	**180.39**

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

Equity shares

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	21,241,591	1,062.08	14,778,256	738.91	24,630,426	738.91
Issued during the year (refer note 44)	1,334,897	66.75	-	-		
Issued during the year - ESOP (refer note 34)	134,423	6.72	77,663	3.88	-	-
Issued during the year - Conversion of preference shares in to equity Shares (CCPS-Series A)	-	-	3,420,171	171.01	-	-
Issued during the year - Conversion of preference shares in to equity shares (CCPS-Series B)	-	-	2,514,377	125.72	-	-
Issued during the year - Conversion of preference Shares in to equity shares (CCPS-Series C)	-	-	451,124	22.56	-	-
Impact of consolidation of shares	-	-	-	-	(9,852,170)	-
Outstanding at the end of the year	**22,710,911**	**1,135.55**	**21,241,591**	**1,062.08**	**14,778,256**	**738.91**
CCPS (Series A)						
At the beginning of the year	-	-	1,932,300	96.62	3,220,500	96.62
Conversion into equity shares	-	-	1,932,300	96.62		
Impact of consolidation of shares	-	-	-	-	(1,288,200)	-
Outstanding at the end of the year	**-**	**-**	**-**	**-**	**1,932,300**	**96.62**
The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.74.39 lakhs was adjusted to securities premium against the additional 1,487,871 equity shares issued against such CCPS.						
CCPS (Series B)						
At the beginning of the year	-	-	1,420,552	71.03	2,367,586	71.03
Conversion into equity shares	-	-	1,420,552	71.03	-	-
Impact of consolidation of shares	-	-	-	-	(947,034)	-
Outstanding at the end of the year	**-**	**-**	**-**	**-**	**1,420,552**	**71.03**
The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.54.69 lakhs was adjusted to securities premium against the additional 1,093,825 equity shares issued against such CCPS.						
CCPS (Series C)						
At the beginning of the year	-	-	254,872	12.74	424,788	12.74
Conversion into equity shares	-	-	254,872	12.74	-	-
Impact of consolidation of shares	-	-	-	-	(169,916)	-
Outstanding at the end of the year	**-**	**-**	**-**	**-**	**254,872**	**12.74**
The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs 9.81 lakhs was adjusted to securities premium against the additional 196,252 equity shares issued against such CCPS.						

Notes to the standalone financial statements for the year ended March 31, 2018

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

(b) Terms/rights attached to equity shares

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

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

(c) Terms of conversion of CCPS

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

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

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

Equity shares of Rs.5/- each fully paid

Name of shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	11,428,766	50.32%	11,813,213	55.61%	11,768,137	79.63%
CMDB II	3,366,415	14.82%	5,049,622	23.77%	431,504	2.92%
Mayfield XII, Mauritius	2,378,488	10.47%	2,534,248	11.93%	766,694	5.19%
HDFC Trustee Company Limited - HDFC Prudence Fund and Capital Builder Fund	1,962,977	8.64%	-	-	-	-
Bessemer India Capital Holdings II Ltd	-	-	1,461,006	6.88%	1,461,006	9.89%
CCPS (Series A) of Rs.5/- each fully paid						
CMDB II	-	-	-	-	1,932,300	100.00%
CCPS (Series B) of Rs.5/- each fully paid						
Mayfield XII, Mauritius	-	-	-	-	871,182	61.33%
CMDB II	-	-	-	-	549,370	38.67%
CCPS (Series C) of Rs.5/- each fully paid						
Mayfield XII, Mauritius	-	-	-	-	127,436	50.00%
CMDB II	-	-	-	-	127,436	50.00%

* 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.

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

	As at March 31				
	2017	2016	2015	2014	2013
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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

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

(iii) On August 10, 2016, the Company converted 6,385,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 138.90 lakhs for the conversion.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan of the Company, please refer note 34.

(g) During the year ended March 31, 2018, the Company has not issued shares for consideration other than cash.

		As at March 31, 2018	As at March 31, 2017
15	**Other equity**		
	Securities premium account		
	Opening balance	171.20	215.09
	Add: issue of share capital (Note 44)	12,933.26	-
	Add: exercise of share options	175.75	95.01
	Less: transaction costs on issue of shares (Note 44)	(777.55)	-
	Less: utilised for bonus shares issued on conversion of preference shares (Refer note below*)	-	(138.90)
	Closing balance	**12,502.66**	**171.20**
	Retained earnings		
	Opening balance	(1,333.85)	(3,582.55)
	Profit for the year	5,015.09	2,286.98
	Other comprehensive income (Note 30)	(92.32)	(52.13)
	Add: transferred from share-based payments reserve upon lapse of stock options	3.80	13.85
	Closing balance	**3,592.72**	**(1,333.85)**
	Share based payments reserve		
	Opening balance	115.62	114.51
	Add: addition during the year	7.33	33.86
	Less: share options exercised during the year transferred to securities premium	(31.91)	(18.90)
	Less: transferred to retained earnings upon lapse of stock options	(3.80)	(13.85)
	Closing balance	**87.24**	**115.62**
	Total other equity	**16,182.62**	**(1,047.03)**

* On August 10, 2016, the Company converted 6,385,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 138.90 lakhs for the conversion.

		Effective interest rate (%)	As at March 31, 2018	As at March 31, 2017	As at 01-Apr-2016
16	**Borrowings (at amortised cost)**				
	Non Current				
	Vehicle loan (secured)*	10.01%	-	15.61	50.53
	Less: Current maturities of long term borrowings (refer note 17B)			(15.61)	(34.92)
	Total		**-**	**-**	**15.61**
	Current				
	Bank overdraft (secured)**	5.40%	641.47	4,437.60	4,819.25
	Total		**641.47**	**4,437.60**	**4,819.25**

* The loan is secured by hypothecation of vehicle and is repayable in 36 equated monthly installments starting from September 5, 2014.

** As of March 31, 2018, the Overdraft facility is maintained with HDFC Bank which is repayable on demand. The said facility is secured by hypothecation of all current assets of the Company as a primary security. In addition to it, as a collateral security, fixed deposits of Rs. 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, 2017 to March 31, 2018 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, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
17	**Trade & other payables**			
	(at amortised cost)			
	(A) Trade payables			
	Current			
	Trade payables	1,067.64	1,057.20	2,327.40
	Dues to employees	616.43	407.01	433.26
	Dues to related parties (refer note 37)	22.14	-	95.38
		1,706.21	**1,464.21**	**2,856.04**
	(B) Other payables			
	Current			
	Current maturities of long term debts (refer note 16)	-	15.61	34.92
	Payables to related parties (refer note 37)	-	-	248.33
	Payables for capital purchases	45.27	139.13	503.83
		45.27	**154.74**	**787.08**

Trade payables and other payables are generally non-interest bearing and is in the range of 0 to 3 months.
For terms and conditions with related parties, refer to Note 37.
For Company's credit risk management process refer note 40.

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
18	**Other liabilities**			
	Non-current			
	Deferred revenue	30.31	23.90	107.42
		30.31	**23.90**	**107.42**
	Current			
	Deferred revenue	5,635.20	5,043.04	4,792.21
	Finance guarantee obligation	-	3.74	20.51
	Advances from customers	141.65	81.66	110.66
	Withholding and other taxes payable	792.39	189.17	267.85
		6,569.24	**5,317.61**	**5,191.23**
19	**Provisions**			
	Non-current			
	Provision for employee benefits			
	Provision for gratuity (refer note 35)	39.64	195.11	161.77
		39.64	**195.11**	**161.77**
	Current			
	Provision for employee benefits			
	- Provision for gratuity (refer note 35)	54.88	192.09	146.23
	- Provision for leave benefits	219.75	195.52	199.20
	Other provisions			
	Provision for litigations (refer note below)	193.78	193.78	176.20
		468.41	**581.39**	**521.63**
	Provision for litigations:			
	The movement of provision for litigation during the period is given below:			
	Opening balance	193.78	176.20	176.20
	Additions	-	17.58	-
	Utilisation / payment	-	-	-
	Closing balance	**193.78**	**193.78**	**176.20**

(a) Service tax: The Company has made provision of Rs.13.29 lakhs for certain disputed liabilities relating to service tax.

(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 PF contribution for the period April 2012 to May 2014. The company has obtained a stay order from the Honourable High Court of Madras. The Company has also appealed against the order with PF Appellate Tribunal. Since various high courts have rendered different judgments which are in conflict to each other and the matter is now pending with the Honourable Supreme Court, as a matter of prudence the Company has provided for the demand of Rs. 162.91 lakhs and other related liabilities of Rs 17.58 lakhs.

Notes to the standalone financial statements for the year ended March 31, 2018

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

		Year ended March 31, 2018	Year ended March 31, 2017
20	**Revenue from operations**		
	Income from services	34,382.22	29,108.42
	Business license fee	1,555.04	1,433.21
	Less : taxes collected from customers	(5,115.94)	(3,794.92)
		30,821.32	**26,746.71**
	Income from services comprise of:		
	Match making services	29,184.76	25,547.72
	Marriage services	1,636.56	1,198.99
		30,821.32	**26,746.71**
21	**Finance income**		
	Interest income from:		
	- Bank deposits	454.92	375.57
	- Guarantee fee (refer note 37)	3.75	16.90
	- Fair value changes of interest free security deposits	58.32	59.75
	- Inter company advances and others	1.57	1.77
	Dividend from investments	120.45	-
		639.01	**453.99**
22	**Other income**		
	Seat sharing revenue (refer note 37)	-	2.43
	Agency commission income (refer note 37)	16.80	17.05
	Fair value gain on financial instruments at fair value through profit or loss	2.40	-
	Miscellaneous income	4.71	2.07
		23.91	**21.55**
23	**Employee benefit expense**		
	Salaries, wages and bonus	11,820.99	10,407.41
	Contribution to provident and other fund	858.93	721.17
	Gratuity expense (refer note 35)	95.02	67.05
	Share based payment expenses (refer note 34)	7.33	33.86
	Staff welfare expenses	356.35	303.72
	Recruitment and training	136.19	74.89
		13,274.81	**11,608.10**
24	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	657.69	704.95
	Amortisation of intangible assets	299.46	329.50
		957.15	**1,034.45**
25	**Finance cost**		
	Bank charges	3.36	5.63
	Interest	122.62	435.89
		125.98	**441.52**
26	**Advertisement and business promotion expenses**		
	Advertisement	4,973.42	4,732.83
	Business promotion expenses	618.91	452.74
		5,592.33	**5,185.57**

Notes to the standalone financial statements for the year ended March 31, 2018

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

		Year ended March 31, 2018	Year ended March 31, 2017
27	**Other expenses**		
	Web hosting charges	619.33	653.42
	Electricity	523.73	481.64
	Rent and amenities	1,779.03	1,785.42
	Rates and taxes	27.63	36.64
	Insurance	61.70	79.44
	Repairs and maintenance - others	571.93	544.50
	Travelling and conveyance	292.93	324.41
	Communication costs	732.05	834.60
	Printing and stationery	31.42	25.21
	Legal and professional fees #	375.07	402.90
	Directors' sitting fees	36.00	30.00
	Exchange differences (net)	26.99	74.78
	Impairment allowance on financial assets	218.83	90.21
	Less: Bad debts written off	(94.24)	(37.30)
	Impairment allowance on financial assets (net)	124.59	52.91
	Litigation expense (refer note 19)	-	17.58
	Loss on sale/ write off of Property, plant and equipment (net)	1.21	15.07
	Collection charges	600.95	486.93
	Outsourced photography service charges	789.33	336.37
	Miscellaneous expenses	50.44	45.06
		6,644.33	**6,226.88**
	# Payment to auditor (Included under legal and professional fees)		
	As auditor:		
	Audit fee	24.00	21.00
	Limited review	7.00	-
	Tax audit fee	1.00	1.00
	Others	50.50	52.00
		82.50	**74.00**
	Less: grouped under "share issue expenses" (refer note 12)	(50.50)	(52.00)
		32.00	**22.00**
28	**Exceptional items**		
	Provision for diminution in the value of Investments (refer note (i))	-	53.00
	Voluntary contribution from Promoter (refer note 36(C))	(1281.92)	-
	Profit from liquidation of subsidiary (refer note (ii))	-	(74.96)
	IPO related expenses charged off (refer note (iii))	-	460.71
		(1,281.92)	**438.75**

Note:

i) During the previous year, management had taken a decision to phase out the operations of its subsidiaries M/s Tambulya Online Marketplace Private Limited and M/s Matchify Services Private Limited to curtail the losses incurred by these businesses in the future. This decision was approved by the Company's board of directors in their meeting dated July 21, 2016. In view of the above, the Company has provided for impairment allowance in value of such investments. Additional loss of Rs. 53.00 lakhs provided during the year ended March 31, 2017 has been disclosed as exceptional item as the transaction not expected to recur frequently.

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

iii) The Company had earlier filed their Draft Red Herring Prospectus (DRHP) on August 18, 2015, as part of its previous IPO efforts. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 decided to proceed with the IPO activity. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 460.71 lakhs is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item for the financial year ended March 31, 2017.

Notes to the standalone financial statements for the year ended March 31, 2018

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

		Year ended March 31, 2018	Year ended March 31, 2017
29	**Income tax expense**		
	The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
	Profit or loss section		
	Current tax:		
	Current income tax charge	1,287.12	149.96
	Deferred tax:		
	Relating to the origination and reversal of temporary differences	(98.39)	-
	Income tax expense reported in the statement of profit and loss	**1,188.73**	**149.96**
	Other comprehensive income (OCI) section		
	Net loss on re-measurement of defined benefit obligation	32.26	-
	Income tax charged to OCI	32.26	-
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:		
	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 (34.608%) as follows:		
	Accounting Profit before income tax (A)	**6,171.56**	**2,286.98**
	Profit before income tax multiplied by standard rate of corporate tax in India of 34.608%	2,135.85	791.48
	Adjustments		
	Non-deductible expenses	(16.23)	173.38
	Losses utilised on which deferred taxes were not recognised in earlier years (Note 13)	(650.59)	(1,019.30)
	Unrecognised deferred taxes on certain temporary differences (net) arising during the year (Note 13)	-	54.44
	Difference in income tax and deferred tax rates	1.57	-
	Tax allowances under Income Tax Act, 1961	(46.81)	-
	Deferred tax assets created in the current year relating to the earlier years	(225.63)	-
	Tax exempt income (Note 21)	(41.69)	-
	At the effective income tax rate of 18.79% (31 March 2017: NA)	**1,156.47**	**-**
	Total tax expense reported in the statement of profit and loss	1,188.73	-
	Total tax expense reported in the other comprehensive income	(32.26)	-
	Total tax expense	**1,156.47**	**-**
30	**Components of Other Comprehensive Income (OCI)**		
	The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
	Re-measurement gains (losses) on defined benefit plans (net of tax impact)	(60.06)	(52.13)
		(60.06)	**(52.13)**

31 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:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to equity holders of the parent	4,982.83	2,286.98
Weighted average number of shares		
- Basic	2,19,78,181	1,89,32,157
Effect of dilution:		
(i) Share options	1,39,491	2,33,163
(ii) Compulsory convertible preference shares	-	22,91,844
- Diluted	2,21,17,672	2,14,57,164
Earning per share of Rs.5.00/- each		
- Basic	22.67	12.08
- Diluted	22.53	10.66

Notes to the standalone financial statements for the year ended March 31, 2018

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

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

The information regarding micro or small enterprise has been determined on the basis of information available with the management and there are no dues to Micro and Small Enterprises as on March 31, 2018.

33 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 39 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 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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

33 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.

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:

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. 7.33 lakhs (March 31, 2017: 33.86 lakhs). There are no cancellations or modifications to the awards in March 31, 2018 or March 31, 2017.

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	09-Feb-16 to 01-Apr-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017.
Grant 11	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 four 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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

34 Employee stock option plans *(continued)*

Grant	Date of Grant	Number of options granted	Vesting period	Manner of vesting
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	1-Apr-19	100% of the grants will vest on April 1, 2019.
Grant 16	March 21, 2018	1,500	1-Apr-19	100% of the grants will vest on April 1, 2019.

Activity in the options outstanding under 'ESOS 2014':

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Outstanding at the beginning of the year	315,426	436,284
Options lapsed during the year	(11,780)	(45,195)
Option granted during the year	23,300	2,000
Options exercised during the year	(134,423)	(77,663)
Outstanding at the end of the year	192,523	315,426
Exercisable at the end of the year	139,592	104,072

The weighted average share price at the date of exercise of the options was Rs. 840.60/- (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, 2017: Rs 103 to Rs. 350).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 is in the range of 2 to 4.25 years (March 31, 2017: 3.04 to 5.25 years).

The following tables list the inputs to the models used for ESOS 2014 for the years ended March 31, 2018 and March 31, 2017, respectively:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Exercise price per share for the options granted during the year (Rs.)	140.83 to 807.50	210.00 to 350.00
Weighted average fair value per share (Rs.)	807.50	210.00 to 350.00
Weighted average fair value of options granted	292.93	28.81 to 94.92
Expected volatility	10%	10% to 35.57%
Life of the options granted (Vesting and exercise period in years)	3.50 to 6.50 Years	3.50 to 6.50 Years
Average risk free interest rate	7.13% to 7.89%	7.63% to 8.06%
Expected dividend yield	0%	0%

35 Employee benefits

Defined Contribution Plans - General Description

Provident Fund & other funds:

During the year, the Company has recognised Rs. 858.93 lakhs (March 31, 2017 - Rs. 721.17 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 - 23).

Other long-term employee benefits - General Description

Leave Encashment:

Each employee is entitled to get 12 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed only on completion of 1 year after separation subject to maximum accumulation up to 24 days.

Notes to the standalone financial statements for the year ended March 31, 2018

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

35 Employee benefits *(continued)*

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 Company's name with Reliance Nippon Life Insurance.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet:

Statement of Profit and Loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Recognized in profit or loss:		
Current service cost	57.61	46.00
Net interest income on benefit obligation / assets	9.60	21.05
Past service cost	27.81	-
	95.02	**67.05**
Recognized in other comprehensive income:		
Re-measurement losses arising from changes in financial and demographic assumptions	92.32	52.13
	92.32	**52.13**
Net benefit expense	**187.34**	**119.18**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Defined benefit obligation	538.36	391.26	315.31
Fair value of plan assets	(443.84)	(4.06)	(7.31)
Plan liability / (asset)	**94.52**	**387.20**	**308.00**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening defined benefit obligation at the beginning of the year	391.24	315.31
Current service cost	57.61	46.00
Past service cost	27.81	-
Interest cost	23.88	21.48
Re-measurement losses on obligation	85.53	52.06
Benefits paid	(47.71)	(43.60)
Closing defined benefit obligation	**538.36**	**391.26**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	4.06	7.31
Expected return on plan assets	14.28	0.42
Contributions	480.00	40.00
Benefits paid	(47.71)	(43.60)
Re-measurement losses on plan assets	(6.78)	(0.07)
Fair value of plan assets at the end of the year	**443.84**	**4.06**

The principal actuarial assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Year ended April 1, 2018	Year ended April 1, 2017	Year ended April 1, 2016
Discount rate	6.70%	6.50%	7.80%
Expected rate of return on assets	6.70%	8.00%	8.00%
Salary escalation	8.00%	8.00%	8.00%
Employee turnover	**60.00%**	**60.00%**	**60.00%**

Notes to the standalone financial statements for the year ended March 31, 2018

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

35 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. 54.88 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

	March 31, 2018	March 31, 2017	April 1, 2016
Investments details:			
Funds with Reliance Nippon Life Insurance	443.84	4.06	7.31
Total	**443.84**	**4.06**	**7.31**

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, 2018					
	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	6% increase	6% 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

Assumptions	March 31, 2017					
	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	6% increase	6% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(2.53)	2.54	3.17	(3.17)	(11.84)	11.84

Assumptions	April 1, 2016					
	Discount rate		Future salary increases		Future salary increases	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	6% increase	6% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(57.12)	53.73	2.65	(2.46)	(11.03)	11.03

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:	Year ended March 31, 2018	Year ended March 31, 2017
Particulars		
Within the next 12 months (next annual reporting period)	298.22	208.88
Between 1 and 5 years	278.04	209.25
Between 5 and 10 years	12.21	9.84
Total expected payments	**588.47**	**427.97**

The average duration of the defined benefit plan obligation at the end of the reporting period is 1.8 years (March 31, 2017: 1.9 years; April 1, 2016: 1.8 years)

Notes to the standalone financial statements for the year ended March 31, 2018

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

36 Commitment and Contingencies

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(A)	**Capital commitments (net of advances and deposit)**	**35.01**	**3,890.08**	**82.96**
(B)	**Leases**			
	Operating lease commitments — Company as lessee			
	Office premises (including retail outlets premises) are obtained under non-cancellable operating lease. The lease rentals incurred during the year have been charged as expenses in the statement of profit and loss, the details for the same given below. The lease terms varies between 10 months to 5 years.			
	Lease payments recognised in the statement of profit and loss	1,777.93	1,795.57	NA
	Future minimum rentals payable under non-cancellable			

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016
Within one year	1,002.73	1,006.23	1,160.29
After one year but not more than five years	2,591.14	3,044.97	1,960.67
More than five years	663.34	873.58	207.17
	4,257.21	**4,924.78**	**3,328.13**

(C) Guarantees

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016
Corporate guarantee – on behalf of Matchify Services Private Limited- (Refer note (i) below)	-	-	2.50
Corporate guarantee – on behalf of Consim Info USA Inc - Refer note (ii) below	**-**	**1,944.29**	**4,635.40**

Note:

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

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

The Company obtained the regulatory approval from the Reserve Bank of India for the provision for such corporate guarantee and has executed a Deed of Guarantee with the plaintiff and Consim US, guaranteeing the payment of the Settlement Amount by Consim US. Consim US has commenced the payments under the Settlement Agreement and the first payment of ten lakhs dollars (USD$ 1,000,000) was made on March 28, 2016. After the payment of first instalment of the settlement, the parties filed for and obtained the dismissal of the litigation in New Jersey and in India. The remaining settlement payments are due on the last day of each month commencing after the first Settlement Payment, from April 2016 till December 2017 and are required to be of a minimum of USD$ 250,000, provided that the total paid in each quarter is at least USD$ 1,000,000. Consim US has paid the entire amount of the liability as at March 31, 2018, and the corporate guarantee has consequently been cancelled.

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

Notes to the standalone financial statements for the year ended March 31, 2018

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

36 Commitment and Contingencies *(continued)*

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 current 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. 128,191,600 ($ 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.

Other Contingent liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2016
Additional liability due to Payment of Bonus Act Retrospective Amendment	Refer note (i) below	Refer note (i) below	Refer note (i) below
FEMA non-compliance	Refer note (iii) below	Refer note (iii) below	-
Income tax	Refer note (iv) below	Refer note (iv) below	Refer note (iv) below
Service tax	Refer note (ii) below	Refer note (ii) below	Refer note (iii) below

Note:

(i) During the previous year the Company has obtained stay against the retrospective implementation of Payment of Bonus (Amendment) Act, 2015 with the Madras High Court for the year 2014-15, contending that such retrospective application is unconstitutional, ultra-vires and void. The impact of such change for the financial year 2014-15 is Rs.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) The Company has certain pending litigations with CESTAT, and on a prudent basis, the Company has provided for the service tax liabilities and interest. Further the Company received a demand order from Commissioner of Service tax for the period 2007-08 to 2009-10 under section 78 of the Finance Act regarding non-payment of service tax on import of certain services made during that period. The Company admitted the liability and made payments along with interest. Based on legal consultation, it believes that no provision is required to be made in the books in respect of the penalty of Rs. 69.12 lakhs demanded by the authorities.

(iii) 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.

(iv) 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.

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 has filed appeals with CIT (Appeals). Management believes that the ultimate outcome of this proceedings would be favourable.

Notes to the standalone financial statements for the year ended March 31, 2018

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

37 Related party disclosures

a. Names of related parties

Relationship	Names of related parties
Subsidiaries	Community Matrimony Private Limited
	Sys India Private Limited
	Consim Info USA Inc., USA
	Bharat Matrimony LLC., Dubai (till April 25, 2016)
	Matchify Services Private Limited
	Tambulya Online Marketplace Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	India Property Online Private Limited
	Infonauts Inc., USA
Investor having significant influence	CMDB II (till September 19, 2017)
	Mayfield XII, Mauritius (till September 19, 2017)
Key Management Personnel (KMP)	Mr. Murugavel Janakiraman, Managing Director
	Mr. S Parameshwar, Chief Financial Officer (till August 12, 2016)
	Mr. K Balasubramanian, Chief Financial Officer (from August 22, 2016)
	Mr. S Vijayanand , Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman
Independent directors	Mr. Milind Shripad Sarwate
	Mr. George Zacharias
	Mr. Chinni Krishnan Ranganathan

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, 2018 and March 31, 2017, the Company has not recorded any impairment of receivables (excluding investment made in equity shares) relating to amounts owed by Related Parties (Refer Note 10 and Note 17A for Trade Receivables and Trade Payables respectively).

b. Transactions with related parties:

Particulars	Subsidiaries		Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended							
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Advertisement								
- Sys India Private Limited	19.04	17.06	-	-	-	-	-	-
- Community Matrimony Private Limited	-	0.48	-	-	-	-	-	-
Expenses made by related parties on behalf of Company								
- Consim Info USA Inc., USA	-	303.80	-	-	-	-	-	-
- Sys India Private Limited	324.00	362.54	-	-	-	-	-	-
Profit from liquidation of subsidiary								
- Bharat Matrimony LLC., Dubai	-	74.96	-	-	-	-	-	-
Agency commission income								
- Sys India Private Limited	16.80	16.80	-	-	-	-	-	-
- Community Matrimony Private Limited	-	0.25	-	-	-	-	-	-
Seat sharing revenue								
- India Property Online Private Limited	-	-	-	2.43	-	-	-	-
Business license fee								
- Consim Info USA Inc., USA	1,555.04	1,433.21	-	-	-	-	-	-

Notes to the standalone financial statements for the year ended March 31, 2018

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

37 Related party disclosures *(continued)*

Particulars	Subsidiaries		Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested		Key Management Personnel		Relatives of Key Management Personnel	
	Year ended							
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Guarantee fee income								
- Consim Info USA Inc., USA	3.75	16.90	-	-	-	-	-	-
Investment in subsidiary during the year								
- Matchify Services Private Limited	-	28.00	-	-	-	-	-	-
- Tambulya Online Market Place Private Limited	-	25.00	-	-	-	-	-	-
Compensation of Key Management Personnel & relative of Key Management Personnel*								
Short term employee benefits	-	-	-	-	360.87	339.40	10.12	9.56
SBP expenses	-	-	-	-	3.02	-	-	-
Sitting fees	-	-	-	-	36.00	30.00	-	-

* 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.

c. Balances with related parties:

Particulars	Subsidiaries			Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested			Key Management Personnel Relatives of Key Management Personnel		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Loans and advances									
- Sys India Private Limited	-	63.98	55.92	-	-	-	-	-	-
- Matchify Services Pvt. Ltd	-	-	1.00	-	-	-	-		
- Tambulya Online Market Place Private Limited	-	-	2.00	-	-	-	-	-	-
Trade payables**									
- Bharat Matrimony LLC., Dubai	-	-	74.94	-	-	-	-	-	-
- Sys India Private Limited	22.14	-	-	-	-	-	-	-	-
- Community Matrimony Private Limited	-	-	20.54	-	-	-	-	-	-
Other payables									
- Consim Info USA Inc., USA	-	-	248.33	-	-	-	-	-	-
Trade receivables							-	-	-
- Consim Info USA Inc., USA	229.10	803.92	443.88	-	-	-	-	-	-
Other current assets									
- India Property Online Private Limited	-	-	-	-	34.07	36.36	-	-	-

** As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to KMP and their relatives is not ascertainable and hence not included above.

Notes to the standalone financial statements for the year ended March 31, 2018

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

38 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.

The Management Committee headed by Managing Director consisting of Chief Financial Officer, Head of Departments and Human resources 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, 2018	Year ended March 31, 2017
A. Segment Revenue		
External sales		
- Matchmaking services	29,184.76	25,547.72
- Marriage services and related sale of products	1,636.56	1,198.99
Total Revenue	**30,821.32**	**26,746.71**
Segment Expenses		
Employee benefits expense		
- Matchmaking services	11,185.26	9,839.41
- Marriage services and related sale of products	1,566.11	1,272.09
Advertisement and business promotion expense		
- Matchmaking services	5,115.06	4,807.31
- Marriage services and related sale of products	477.26	378.21
Other expenses		
- Matchmaking services	4,915.07	4,994.06
- Marriage services and related sale of products	1,260.93	702.38
Depreciation and amortisation expense		
- Matchmaking services	659.94	750.74
- Marriage services and related sale of products	68.92	51.52
B. Segment Results		
- Matchmaking services	7,309.43	5,156.20
- Marriage services and related sale of products	(1,736.67)	(1,205.21)
Total	**5,572.76**	**3,950.99**

Reconciliation of profit	Year ended March 31, 2018	Year ended March 31, 2017
Segment profit	5,572.76	3,950.99
Unallocable expenses (net of unallocable revenue)	1,196.14	1,237.72
Other finance costs	125.99	441.52
Finance income	(639.01)	453.99)
Exceptional items	(1,281.92)	438.76
Profit before tax	**6,171.56**	**2,286.98**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
C. Segment Assets			
- Matchmaking services	2,927.69	3,714.06	4,047.52
- Marriage services and related sale of products	516.11	322.83	247.57
Unallocable assets	14,127.22	7,650.90	7,520.28
Other assets held for investing activities	7,370.45	2.45	2.45
Income taxes	1,955.05	499.37	308.56
Total Assets	**26,896.52**	**12,189.61**	**12,126.38**
D. Segment Liabilities			
- Matchmaking services	5,858.28	6,390.19	6,821.84
- Marriage services and related sale of products	424.38	560.30	545.06
- Unallocable	3,295.69	5,224.07	7,093.13
Total Liabilities	**9,578.35**	**12,174.56**	**14,460.03**

Notes to the standalone financial statements for the year ended March 31, 2018
(All amounts are in ₹ lakhs, unless otherwise stated)

38 Segment reporting *(continued)*

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
E. Capital Expenditure		
- Matchmaking services	369.55	332.88
- Marriage services and related sale of products	179.99	27.02
- Unallocable	4,753.83	287.85
Total Capital Expenditure	**5,303.37**	**647.75**
F. Depreciation / Amortisation		
- Matchmaking services	659.94	750.74
- Marriage services and related sale of products	68.92	51.52
- Unallocable	228.29	232.19
Total Depreciation / Amortisation	**957.15**	**1,034.45**
G. Non-cash items other than Depreciation / Amortisation		
- Matchmaking services	41.85	53.33
- Marriage services and related sale of products	218.83	47.52
- Unallocable	72.74	52.48
Total Non-cash items other than Depreciation / Amortisation	**333.42**	**153.33**

Revenue from external customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue		
- India	28,796.10	24,771.23
- Outside India	2,025.22	1,975.48
Total Revenue	**30,821.32**	**26,746.71**

The revenue information above is based on the location of the customers

Non current operating assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
- India	6,760.75	2,422.38	2,833.49
- Outside India	-	-	-
Total	**6,760.75**	**2,422.38**	**2,833.49**

Non-current assets for this purpose consists of property, plant and equipment and intangible assets.

Other disclosures

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital expenditure	**5,303.37**	**647.80**

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 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. 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, 2018
(All amounts are in ₹ lakhs, unless otherwise stated)

39 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, 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	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

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, 2017	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:

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	April 1, 2016	-	-	-	-
At amortised cost					
Guarantee fee receivable	April 1, 2016	20.51	-	-	20.51

40 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 a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial 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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

40 Financial risk management objectives and policies *(continued)*

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2018		
INR	+50	12.70
INR	-50	(12.70)
March 31, 2017		
INR	+50	23.14
INR	-50	(23.14)

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. The company currently do not use any foreign exchange hedging contracts to manage our exchange rate risk. However, historically, our results of operations have not been materially affected by fluctuation in exchange rates.

The following table demonstrate the sensitivity to a reasonably possible change in USD 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 rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	5%	17.95	17.95
	-5%	(17.95)	(17.95)
March 31, 2017	5%	40.12	40.12
	-5%	(40.12)	(40.12)
April 1, 2016	5%	(3.66)	(3.66)
	-5%	**3.66**	**3.66**

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 10. 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 Finance 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. 16,789.65 lakhs, 5,500.70 lakhs and Rs. 5,377.06 lakhs as at March 31, 2018, March 31, 2017 and April 1, 2016 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.

Notes to the standalone financial statements for the year ended March 31, 2018

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

40 Financial risk management objectives and policies *(continued)*

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.

	On demand	Less than 1 year	1 to 3 years	> 3 years	Total
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
As at March 31, 2017					
Overdraft	4,437.60	-	-	-	4,437.60
Provisions	581.39	195.11		776.50	-
Trade and other payables	-	1,618.95	-	-	1,618.95
	4,437.60	**2,200.34**	**195.11**	**-**	**6,833.05**
As at 1 April, 2016					
Borrowings	-	-	50.53	-	50.53
Overdraft	4,819.25	-	-	-	4,819.25
Provisions	521.63	161.77		683.40	-
Trade and other payables	-	3,643.12	-	-	3,643.12
	4,819.25	**4,164.75**	**212.30**	**-**	**9,196.30**

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, 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.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current provisions	39.64	195.11	161.77
Other non-current liabilities	30.31	23.90	107.42
Borrowings	641.47	4,437.60	4,834.86
Trade payables	1,706.21	1,464.21	2,856.04
Other payables	45.27	154.74	787.08
Other current liabilities	6,569.24	5,317.61	5,191.23
Current provision	468.41	581.39	521.63
Less: cash and cash equivalents	(1,303.60)	(287.87)	(425.99)
Net debt	8,196.95	11,886.69	14,034.04
Convertible preference shares	-	-	180.39
Equity	17,230.93	(100.57)	(2,628.54)
Total capital	17,230.93	(100.57)	(2,448.15)
Capital and net debt	**25,427.88**	**11,786.12**	**11,585.89**
Gearing ratio	**32%**	**101%**	**121%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

42 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its Standalone Financial Statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Notes to the standalone financial statements for the year ended March 31, 2018

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

42 First-time adoption of Ind AS *(continued)*

Accordingly, the Company has prepared Standalone Financial Statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1) The Company has elected to regard carrying values for all of property, plant and equipment and intangibles as deemed cost at the date of the transition.
2) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2016.
3) The cost of a subsidiary in the Company's Standalone financial statements is the Indian GAAP carrying amount at the transition date.
4) The Company has elected not to apply Ind-AS 103 to business combinations occurring before the date of transition.

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 (i.e. the date of transition to Ind-AS) and as of March 31, 2017.

Effect of the Transition to Ind AS

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 are also presented in Note 46. Reconciliations of the Company's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 46.

43 **Standards issued but not effective**

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 are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and notified by the Ministry of Corporate Affairs on March 29, 2018. It establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is 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. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary impact assessment of adoption of Ind AS 115 and the same is found to be immaterial.

Notes to the standalone financial statements for the year ended March 31, 2018

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

44 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 amount 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 our 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.

45 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	INR (in lakhs)
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.

46 A) Reconciliation of Equity as on April 1, 2016

	Foot Note	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		1,914.19	-	1,914.19
Intangible assets		919.30	-	919.30
Investment in subsidiaries		4.44	-	4.44
Financial assets				
(a) Security deposits	2	516.74	(126.10)	390.64
(b) Bank balances other than cash and cash equivalents		0.75	-	0.75
Non-current tax assets (net)		308.56	-	308.56
Other non-current assets		190.41	20.50	210.91
		3,854.39	**(105.60)**	**3,748.79**

Notes to the standalone financial statements for the year ended March 31, 2018

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

46 A) Reconciliation of Equity as on April 1, 2016 *(continued)*

	Foot Note	Previous GAAP	Adjustments	Ind AS
Current assets				
Financial assets				
(a) Security deposits		710.41	-	710.41
(b) Trade receivables		580.59	-	580.59
(c) Cash and cash equivalents		425.99	-	425.99
(d) Bank balances other than cash and cash equivalent		4,950.32	-	4,950.32
(e) Other financial assets	6	282.23	-	282.23
Other current assets	2	1,310.59	117.46	1,428.05
		8,260.13	117.46	8,377.59
Total Assets		**12,114.52**	**11.86**	**12,126.38**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		738.91	-	738.91
Other Equity	2			
(a) Equity component of convertible preference shares		180.39	-	180.39
(b) Securities premium account		215.09	-	215.09
(c) Retained earnings		(3,585.78)	3.23	(3,582.55)
(d) Employee share option outstanding		-	114.51	114.51
Total equity		**(2,451.39)**	**117.74**	**(2,333.65)**
Non-current liabilities				
Financial liabilities				
(a) Borrowings		15.61	-	15.61
Provisions		161.77	-	161.77
Other non-current liabilities		107.42	-	107.42
		284.80	-	284.80
Current liabilities				
Financial liabilities				
(a) Borrowings		4,819.25	-	4,819.25
(b) Trade payables	7	2,982.42	(126.38)	2,856.04
(c) Other payables		787.08	-	787.08
Other current liabilities	6	5,170.73	20.50	5,191.23
Provisions		521.63	-	521.63
		14,281.11	(105.88)	14,175.23
Total Liabilities		**14,565.91**	**(105.88)**	**14,460.03**
TOTAL EQUITY AND LIABLITIES		**12,114.52**	**11.86**	**12,126.38**

46 B) Reconciliation of Equity as on March 31, 2017

	Foot Note	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		1,775.50	-	1,775.50
Intangible assets		646.88	-	646.88
Investment in subsidiaries		2.45	-	2.45
Financial assets		-		
(a) Security deposits	2	994.40	(220.45)	773.95
(b) Bank balances other than cash and cash equivalent		0.75	-	0.75
Deferred tax assets (net)		149.96	-	149.96
Advance income-tax (net)		349.35	-	349.35
Other non-current assets		433.03	-	433.03
		4,352.32	**(220.45)**	**4,131.87**
Current assets				
Financial assets				
(a) Security deposits		119.30	-	119.30
(b) Trade receivables		960.03	-	960.03
(c) Cash and cash equivalents		287.87	-	287.87

Notes to the standalone financial statements for the year ended March 31, 2018

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

46 B) Reconciliation of Equity as on March 31, 2017 *(continued)*

	Foot Note	Previous GAAP	Adjustments	Ind AS
(d) Bank balances other than cash and cash equivalent		5,212.09	-	5,212.09
(e) other financial assets	6	306.16	3.74	309.90
Other current assets	2	956.51	212.04	1,168.55
		7,841.96	215.78	8,057.74
Total Assets		**12,194.28**	**(4.67)**	**12,189.61**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,062.08	-	1,062.08
Other equity	2, 4, 5, 6 & 7			
(a) Securities premium account		171.20	-	171.20
(b) Retained earnings		(1,351.91)	18.06	(1,333.85)
(c) Employee share option outstanding		-	115.62	115.62
Total equity		**(118.63)**	**133.68**	**15.05**
Non-current liabilities				
Provisions		195.11	-	195.11
Other non-current liabilities		23.90	-	23.90
		219.01	-	219.01
Current liabilities				
Financial liabilities				
(a) Borrowings		4,437.60	-	4,437.60
(b) Trade payables	7	1,606.29	(142.08)	1,464.21
(c) Others		154.74	-	154.74
Other current liabilities	6	5,313.88	3.73	5,317.61
Provisions		581.39	-	581.39
		12,093.90	(138.35)	11,955.55
Total Liabilities		**12,312.91**	**(138.35)**	**12,174.56**
TOTAL EQUITY AND LIABLITIES		**12,194.28**	**(4.67)**	**12,189.61**

46 C) Reconciliation of profit or loss for the year ended March 31, 2017

	Foot Note	Previous GAAP	Adjustments	Ind AS
Revenue from operations		26,746.71	-	26,746.71
Other income		21.55	-	21.55
Total Income		**26,768.26**	**-**	**26,768.26**
Expenses				
Employee benefits expense	4 & 5	11,626.38	(18.28)	11,608.10
Advertisement and business promotion expenses		5,185.57	-	5,185.57
Other expenses	2	6,183.06	43.82	6,226.88
Total expense		**22,995.01**	**25.54**	**23,020.55**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)		**3,773.25**	**(25.54)**	**3,747.71**
Depreciation and amortisation expense		1,034.45	-	1,034.45
Finance costs		441.52	-	441.52
Finance income	2	(394.24)	(59.75)	(453.99)
Profit before exceptional items and tax		**2,691.52**	**34.21**	**2,725.73**
Exceptional items		438.75	-	438.75
Profit before tax		**2,252.77**	**34.21**	**2,286.98**
Tax expense				
- Current income tax		149.96	-	149.96
- Deferred tax (net)		(149.96)	-	(149.96)
Total tax expense		**-**	**-**	**-**
Profit for the year (I)		**2,252.77**	**34.21**	**2,286.98**
Other Comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains and (losses) on defined benefit obligations (net)	4	-	(52.13)	(52.13)
		2,252.77	**(17.92)**	**2,234.85**
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		**-**	**(52.13)**	**(52.13)**
Other comprehensive income/(loss) for the year, net of tax (II)		**-**	**(52.13)**	**(52.13)**
Total comprehensive income for the year, net of tax (I + II)	3	**2,252.77**	**(17.92)**	**2,234.85**

Notes to the standalone financial statements for the year ended March 31, 2018

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

Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017.

1. Reclassification
The assets and liabilities as at April 1, 2016 and March 31, 2017 have been re-grouped / re-classified, where necessary to comply with the accounting policies of the Company under Ind AS.

2. Security deposit
Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. The prepaid rent is amortised over the period of the deposit.

3. Other comprehensive income
Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

4. Re-measurement of actuarial gains/ (losses):
Both under Indian GAAP and Ind AS, the costs related to its post-employment defined benefit plan were recognised on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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.

5. Share based payment
Under Indian GAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

6. Financial liability at amortised cost
Under Indian GAAP, the Company did not recognise financial guarantee obligation for corporate guarantee given to Consim US. Ind AS prescribes accounting for financial guarantees at the fair value. Subsequently these financial guarantee obligation and Guarantee fee receivable are measured at amortised cost using Effective Interest Rate (EIR) method and been recognised in the Balance Sheet.

7. Leases - Reversal of rent straight lining
Under Indian GAAP, the Company recognised the provision for rent escalation over the lease period for office premises and retail outlets taken on lease. Under Ind AS, if the increase in the payments to the lessor is on account of expected general inflation, straight lining of rental expenses is not required.

8. Statement of cash flows
The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

47 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.

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

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Shankar Srinivasan
Partner Membership No: 213271

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Hyderabad
Date : May 3, 2018

Place: Chennai
Date : May 3, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Matrimony.com Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Matrimony.com Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

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 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 stale of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements and other financial information, in respect of 5 subsidiaries, whose Ind AS financial statements include total assets of Rs. 686.16 lakhs and net liability of Rs. 551.77 lakhs as at March 31, 2018, and total revenues of Rs 4,299.31 lakhs and net cash inflows of Rs 64.79 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated 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 reports 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.

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 reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated 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, 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 Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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 incorporated in India, none of the directors of the Group's companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, refer to our separate report in "Annexure 1" to this report. Based on information and explanations provided us, the 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 13, 2017, read with corrigendum dated July 13. 2017);

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us 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 35(d) 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, 2018; and

   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, 2018.

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

per Shankar Srinivasan
Partner
Membership Number: 213271
Place of Signature: Hyderabad
Date: May 3, 2018

Annexure 1 to the Independent Auditor's report of even date on the Consolidated Ind AS Financial Statements of Matrimony.com Limited

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

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, 2018, 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 control over financial reporting vide MCA notification no. G.S.R 583 (E) dated June 13, 2017, read with corrigendum dated July 13, 2017.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the 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 Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ''Guidance Note'') and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Shankar Srinivasan
Partner
Membership Number: 213271
Place of Signature: Hyderabad
Date: May 3, 2018

Consolidated Balance Sheet as at March 31, 2018

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

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	6,245.43	1,776.65	1,920.31
Intangible assets	3	515.62	646.88	920.28
Intangible assets under development		2.37	-	-
Goodwill		-	-	3.92
Financial assets				
(a) Security deposits	4	1,010.49	774.34	457.80
(b) Bank balances other than cash and cash equivalents	6	0.75	0.75	0.75
Deferred tax assets (net)	11	280.61	149.96	-
Non-current tax assets (net)		393.66	386.32	361.63
Other non-current assets	9	333.95	433.03	210.89
		8,782.88	**4,167.93**	**3,875.58**
Current assets				
Financial assets				
(a) Security deposits	4	282.98	271.00	762.59
(b) Cash and cash equivalents	5	1,663.64	588.37	887.16
(c) Bank balances other than cash and cash equivalents	6	8,112.46	5,212.09	4,950.32
(d) Investments	8	7,372.85	-	-
(e) Trade receivables	10	376.00	215.66	189.56
(f) Other financial assets	7	292.21	355.66	296.12
Other current assets	9	447.01	1,117.43	1,414.65
		18,547.15	**7,760.21**	**8,500.40**
Total Assets		**27,330.03**	**11,928.14**	**12,375.98**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	1,135.55	1,062.08	738.91
Other equity	13			
(a) Equity component of convertible preference shares		-	-	180.39
(b) Securities premium account		12,502.66	171.20	215.09
(c) Retained earnings		2,991.37	(4,338.62)	(8,596.77)
(d) Share based payment reserve		87.24	115.62	114.51
(e) Foreign currency translation reserve		48.10	37.84	-
Equity attributable to equity holders of the parent		**16,764.92**	**(2,951.88)**	**(7,347.87)**
Non-controlling interest		-	-	26.34
Total equity		**16,764.92**	**(2,951.88)**	**(7,321.53)**
Non-current liabilities				
Financial liabilities				
(a) Borrowings	14	-	-	15.61
(b) Others	15	-	-	1,986.60
Provisions	17	39.64	195.11	163.00
Other non-current liabilities	16	30.31	25.14	108.11
		69.95	**220.25**	**2,273.32**
Current liabilities				
Financial liabilities				
(a) Borrowings	14	641.47	4,437.60	4,819.25
(b) Trade payables	15 A	1,793.72	1,494.68	3,395.46
(c) Others	15 B	45.27	2,071.19	3,043.86
Other current liabilities	16	7,468.49	6,074.90	5,642.98
Provisions	17	468.41	581.40	522.64
Liabilities for current tax (net)		77.80	-	-
		10,495.16	**14,659.77**	**17,424.19**
Total Liabilities		**10,565.11**	**14,880.02**	**19,697.51**
TOTAL EQUITY AND LIABLITIES		**27,330.03**	**11,928.14**	**12,375.98**

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

Shankar Srinivasan
Partner Membership No: 213271

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Hyderabad
Date : May 3, 2018

Place: Chennai
Date : May 3, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

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

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	18	33,544.49	29,281.91
Other income	20	9.33	11.04
Total income		**33,553.82**	**29,292.95**
Expenses			
Employee benefits expense	21	13,288.98	11,640.16
Advertisement and business promotion expenses	24	5,603.20	5,223.04
Other expenses	25	6,892.92	6,534.71
Total expenses		**25,785.10**	**23,397.91**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)		**7,768.72**	**5,895.04**
Depreciation and amortisation expense	22	957.45	1,038.18
Finance costs	23	153.20	558.66
Finance income	19	(635.26)	(437.08)
Profit before exceptional items and tax		**7,293.33**	**4,735.28**
Exceptional items	26	(1,281.92)	437.21
Profit before tax		**8,575.25**	**4,298.07**
Income tax			
- Current year	11	1,287.38	151.37
- Deferred tax (net)		(98.39)	(149.96)
Total tax expense		**1,188.99**	**1.41**
Profit for the year (I)		**7,386.26**	**4,296.66**
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit obligations		(92.32)	(52.13)
Income tax effect		32.26	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		**(60.06)**	**(52.13)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of foreign operations		10.26	13.85
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		**10.26**	**13.85**
Other comprehensive loss for the year, net of tax (A+B) (II)		**(49.80)**	**(38.28)**
Total comprehensive income for the year, net of tax (I + II)		**7,336.46**	**4,258.38**
Net Profit for the year attributable to:		**7,386.26**	**4,296.66**
- Owners of the Company		7,386.26	4,296.43
- Non-controlling interests		-	0.23
Total comprehensive income for the year attributable to:		**7,336.46**	**4,258.38**
- Owners of the Company		7,336.46	4,258.15
- Non-controlling interests		-	0.23
Earnings per share of INR 5 each	29		
Basic earnings per share		33.61	22.69
Diluted earnings per share		33.40	20.02

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

Shankar Srinivasan
Partner Membership No: 213271

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Hyderabad
Date : May 3, 2018

Place: Chennai
Date : May 3, 2018

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

(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	INR in lakhs
As at April 1, 2016	14,778,256	738.91
As at March 31, 2017	21,241,591	1,062.08
Issue of equity shares (Note 12)	1,469,320	73.47
As at March 31, 2018	22,710,911	1,135.55

b. Other equity

For the year ended March 31, 2018

Particulars	Equity component of compulsory convertible preference shares (Note 12)	Securities premium reserve (Note 13)	Share-based payments reserve (Note 13)	Retained earnings (Note 13)	Items of OCI: Foreign Currency Translation Reserve	Non-controlling interest	Total other equity
As at April 1, 2017	-	171.20	115.62	(4,338.62)	37.84	-	(4,013.96)
Profit for the year	-	-	-	7,386.26	-	-	7,386.26
Other comprehensive income (Note 28)	-	-	-	(60.06)	10.26	-	(49.80)
Total comprehensive income	-	-	-	7,326.20	10.26	-	7,336.46
Exercise of share options (Note 33)	-	175.75	(31.91)	-	-	-	143.83
Amounts utilised toward share issue expenses (Note 44)	-	(777.55)	-	-	-	-	(777.55)
Issue of share capital (Note 12 & 44)	-	12,933.26		-	-	-	12,933.26
Share based payment expenses (Note 21)	-	-	7.33	-	-		7.33
Transferred from share-based payments reserve upon lapse of stock options	-	-	(3.80)	3.79	-	-	-
As at March 31, 2018	-	12,502.66	87.24	2,991.37	48.10	-	15,629.37
For the year ended March 31, 2017	-	-	-	-	-	-	
As at April 1, 2016	180.39	215.09	114.51	(8,596.77)	-	26.34	(8,060.44)
Profit for the year	-	-	-	4,296.43	-	0.23	4,296.66
Other comprehensive income (Note 28)	-	-	-	(52.13)	37.84	-	(14.29)
Total comprehensive income	-	-	-	4,244.30	37.84	0.23	4,282.37
Exercise of share options (Note 33)	-	95.01	(18.90)	-	-	-	76.11
Conversion of preference shares into equity shares	(180.39)	-	-	-	-	-	(180.39)
Utilised for bonus shares issued on conversion of preference shares (Note 12)	-	(138.90)	-	-	-	-	(138.90)
Share based payment expenses (Note 21)	-	-	33.86	-	-	-	33.86
Transferred from share-based payments reserve upon lapse of stock options	-	-	(13.85)	13.85	-	-	-
Liquidation of subsidiary (Bharathmatrimony LLC, Dubai) (Note 26)	-	-	-	-	-	(26.57)	(26.57)
As at March 31, 2017	-	171.20	115.62	(4,338.62)	37.84	-	(4,013.96)

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

Shankar Srinivasan
Partner Membership No: 213271

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Hyderabad
Date : May 3, 2018

Place: Chennai
Date : May 3, 2018

Consolidated Statement of Cash flows for the year ended March 31, 2018

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

Particulars		March 31, 2018	March 31, 2017
Cash flow from / (used in) operating activities			
Profit before exceptional items and tax		7,293.33	4,735.28
Adjustments - reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	22	957.45	1,038.18
Fair value gain on financial instruments at fair value through profit or loss	20	2.40	-
Loss on sale/ write-off of property, plant and equipment (net)	25	1.77	15.61
Impact of fair value changes of interest free security deposits (net)		3.47	0.60
Unrealised forex (gain) / loss		52.83	26.40
Impairment of financial assets	25	218.83	-
Provision for litigation	25	-	17.58
Reversal of provision for doubtful debts and advances		-	52.91
Liabilities no longer required written back		-	(2.37)
Share based payment expenses	21	7.33	33.86
Interest expense	23	149.56	551.74
Dividend from investments	19	(120.45)	-
Interest income	19	(456.48)	(377.34)
Operating profit before working capital changes		**8,110.04**	**6,092.45**
Movement in working capital :			
(Increase) / decrease in financial assets		(536.38)	(209.83)
(Increase) / decrease in other assets		707.69	1,544.58
Increase / (decrease) in trade payables		292.79	(1,240.24)
Increase / (decrease) other liabilities		1,397.30	409.76
Increase / (decrease) in long / short term provisions		(360.78)	73.28
Cash generated from / (used in) operations		**9,610.66**	**6,670.00**
Income taxes paid (net of refunds)		(1,309.15)	(175.07)
Net cash generated from / (used in) operating activities before exceptional items		**8,301.51**	**6,494.93**
Cash flow from / (used in) Exceptional items		(634.53)	(3,545.86)
Net cash flow from / (used in) operating activities (A)		**7,666.98**	**2,949.07**
Cash flow from / (used in) investing activities			
Purchase of property, plant and equipment including intangible assets		(5,394.20)	(1,012.45)
Proceeds from sale of property, plant and equipment		5.98	11.04
Investment in mutual funds		(7,252.40)	-
Interest received		543.38	324.96
Investment in bank deposits (with maturity more than three months) (net)		(2,900.37)	(5,862.09)
Net cash flow / (used in) investing activities (B)		**(14,997.61)**	**(6,538.54)**
Cash flows from / (used in)financing activities			
Proceeds from issue of share capital (including securities premium)		12,373.02	79.99
Repayment of borrowings		(3,811.74)	(416.57)
Interest paid		(122.62)	(435.90)
Net cash flow from / (used in) financing activities (C)		**8,438.66**	**(772.48)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**1,108.03**	**(4,361.95)**
Cash received on business acquisition of business	45	3.00	-
Effect of exchange differences on cash & cash equivalents held in foreign currency		(35.76)	-
Cash and cash equivalents at the beginning of the year		588.37	4,950.32
Cash and cash equivalents at the end of the year (refer note 6)		**1,663.64**	**588.37**

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

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Shankar Srinivasan
Partner Membership No: 213271

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Hyderabad
Date : May 3, 2018

Place: Chennai
Date : May 3, 2018

Notes to the consolidated financial statements for the year ended March 31, 2018

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, 2018. 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 MatrimonyDirectory.com, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Group has also recently introduced MatrimonyPhotography.com to provide wedding photography and videography services.

On September 21, 2017, the Company listed its equity shares with National Stock Exchange of India Ltd and BSE Ltd. The registered office of the parent company is located at No: 94, TVH Beliciaa Towers, MRC Nagar, Tower II, 10th Floor, Mandaveli, Chennai - 600028.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 3, 2018.

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, read with Companies (Indian Accounting Standards) as amended.

For all periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 as amended (Indian GAAP). These consolidated financial statements for the year ended March 31, 2018 are the first the Group has prepared in accordance with Ind AS. Refer to note 42 for information on how the Group adopted Ind AS.

The consolidated 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 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 2018. 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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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, 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, 2018

b) Property, plant and equipment

As there is no change in the functional currency as at the date of transition, the Group has elected to adopt the carrying value of Plant property and equipment under the Previous GAAP as the deemed cost for the purpose of transition to Ind AS.

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.

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, 2018

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 as 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

h) Revenue and other income

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

Income from services

Revenues from subscriptions towards matrimony service contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Group collects service tax and 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 franchises services (business license fees) recognised as and when the services are rendered as per the terms of the contract.

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

Interest 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.

Dividends

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

Notes to the consolidated financial statements for the year ended March 31, 2018

i) Foreign currency transactions

The Group's financial statements are presented in INR, which is also the parent 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) Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefit obligation

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

Retirement benefit in the form of gratuity is a defined benefit scheme. The costs of providing benefit under this plan are determined on the basis of actuarial valuation at each year-end, using the projected unit credit method.

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. 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.

k) 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.

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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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.

l) 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.

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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.

m) 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.

n) Fair value measurement

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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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.

o) 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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

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 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

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 consolidated financial statements for the year ended March 31, 2018

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

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 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.

p) Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

q) 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.

r) 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.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 38 for segment information presented.

Notes to the consolidated financial statements for the year ended March 31, 2018

t) Cash dividend and non-cash distribution to equity holders of the parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent 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.

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Notes to the consolidated financial statements for the year ended March 31, 2018

(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 (Note c)	Vehicles	Total	Web domain	Portal development	Software	Total
Cost as at April 1, 2016	**1,305.01**	**231.76**	**69.81**	**117.38**	**97.00**	**-**	**99.35**	**1,920.31**	**165.11**	**17.61**	**737.56**	**920.28**
Additions	470.31	67.19	11.72	40.56	0.89	-	-	590.67	-	-	57.09	57.09
Translation differences	(0.15)	(0.05)	(0.08)	(0.01)	-	-	-	(0.29)	-	-	-	-
Disposals	(30.18)	(8.84)	(3.77)	(15.60)	-	-	-	(58.39)	-	-	(1.46)	(1.46)
As at March 31, 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	515.19	95.62	10.23	18.19	135.63	4,359.66	0.00	5,134.52	111.09	-	57.11	168.19
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**
Depreciation/Amortisation as at April 1, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	447.72	103.82	30.63	85.83	24.99	-	15.25	708.24	32.86	5.81	291.28	329.95
Translation differences	(0.15)	(0.06)	(0.10)	-	-	-	-	(0.31)	-	-	-	-
Disposals	(24.03)	(1.99)	(1.57)	(4.69)	-	-	-	(32.28)	-	-	(0.92)	(0.92)
Depreciation/Amortisation as at March 31, 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)	-	-	-	-
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**
Net Block												
As at April 1, 2016	**1,305.01**	**231.76**	**69.81**	**117.38**	**97.00**	**-**	**99.35**	**1,920.31**	**165.11**	**17.61**	**737.56**	**920.28**
As at March 31, 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**

(a) The amount of borrowing costs capitalised during the year ended 31 March 2018 was Nil (March 31, 2017: Nil: April 1, 2016: Nil).

(b) Vehicle with carrying amount of Rs Nil (March 31 2017: 84.00 lakhs: April 1, 2016: 99.35 lakhs) is hypothecated to bank against vehicle loan. There is no loan outstanding as on March 31, 2018.

(c) 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.

(d) Additions to Computers and Network Equipment and domain 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 45.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4	**Security deposits**			
	(at amortised cost)			
	Non-current			
	Security deposits			
	Considered good	1,010.49	774.34	457.80
	Considered doubtful	-	-	-
		1,010.49	774.34	457.80
	Less: impairment allowance on deposits	-	-	-
		1,010.49	**774.34**	**457.80**
	Current			
	Security deposits			
	Considered good	282.98	271.00	762.59
	Considered doubtful	13.62	18.01	17.98
		296.60	289.01	780.57
	Less: impairment allowance on deposits	13.62	18.01	17.98
		282.98	271.00	762.59
		1,293.47	**1,045.34**	**1,220.39**
5	**Cash and cash equivalents**			
	(at amortised cost)			
	Balances with banks on current accounts	736.37	503.60	571.98
	Deposits with original maturity of less than three months*	856.14	-	216.53
	Cheques on hand	24.66	44.77	42.18
	Cash on hand	46.47	40.00	56.47
		1,663.64	**588.37**	**887.16**
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**	**0.75**
	Current			
	Bank balances			
	- Deposits with original maturity of more than 3 months but less than 12 months *	8,112.46	5,212.09	4,950.32

* The Group has pledged Rs. 1,000 lakhs as on March 31, 2018 (Rs. 5,000 lakhs as on March 31, 2017 & Rs. 6,000 lakhs as on April 1, 2016) 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, 2018	As at March 31, 2017	As at April 1, 2016
7	**Other financial assets**			
	(at amortised cost)			
	Interest accrued on fixed deposits	215.67	244.24	191.66
	Loans to employees			
	Considered good	34.98	27.85	33.72
	Considered doubtful	3.38	3.38	-
		38.36	31.23	33.72
	Less: impairment allowance on doubtful advances	3.38	3.38	-
		34.98	27.85	33.72
	Others	1.29	-	-
	Other receivables from related parties (refer note 36)	40.27	83.57	70.74
		292.21	**355.66**	**296.12**

Notes to the consolidated financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8	**Investments (at fair value through profit and loss)**			
	Investment in Mutual funds			
	912,971.81 units (March 31, 2017 & April 1, 2016: Nil units) Aditya birla sun life floating rate fund short term plan daily dividend	913.74	-	-
	86,165.39 (March 31, 2017 & April 1, 2016: Nil units) Axis liquid fund daily dividend	862.86	-	-
	804,379.47 (March 31, 2017 & April 1, 2016: Nil units) ICICI prudential liquid weekly dividend	806.69	-	-
	945,938.82 (March 31, 2017 & April 1, 2016: Nil units) Aditya birla sun life floating rate long term - daily dividend	953.54	-	-
	9,488,612.82 units (March 31, 2017 & April 1, 2016: Nil units) HDFC floating rate income fund short term plan wholesale dividend reinvestment daily	956.54	-	-
	951,579.48 (March 31, 2017 & April 1, 2016: Nil units) ICICI prudential flexible income daily dividend	1,006.16	-	-
	94,183.42 units (March 31, 2017 & April 1, 2016: Nil units) Kotak low duration fund regular plan weekly dividend	957.59	-	-
	5,356,401.30 units (March 31, 2017 & April 1, 2016: Nil units) Reliance medium term fund - daily dividend plan	915.73	-	-
	Aggregate book value of unquoted current investments	**7,372.85**	**-**	**-**
	Aggregate amount of book value unquoted investments	7,372.85	-	-
	Aggregate provision for impairment allowance in value of investments	-	-	-
	Aggregate amount of fair value unquoted investments	**7,372.85**	**-**	**-**
9	**Other assets**			
	Non-current			
	Capital advances	8.33	116.63	16.19
	Prepaid expenses	252.13	242.91	121.21
	Balances with statutory / Government authorities	73.49	73.49	73.49
		333.95	**433.03**	**210.89**
	Current			
	Share issue expenses (refer note 45)	-	872.92	1,035.72
	Prepaid expenses	211.21	124.32	99.03
	Balances with statutory / Government authorities	51.29	18.51	127.99
	Advances for supply and services	184.51	101.68	151.91
		447.01	**1,117.43**	**1,414.65**
		780.96	**1,550.46**	**1,625.54**
10	**Trade receivables**			
	(at amortised cost)			
	Trade receivables	376.00	215.66	189.56
		376.00	**215.66**	**189.56**
	Trade receivables			
	- Considered good	376.00	215.66	189.56
	- Considered doubtful others	113.15	81.92	69.68
		489.15	**297.58**	**259.24**
	Less: impairment allowance	113.15	81.92	69.68
		376.00	**215.66**	**189.56**

Trade receivables are non-interest bearing and are due immediately.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

11 Deferred tax assets (net)

Nature - Asset / (Liability)	Balance Sheet		
	March 31, 2018	March 31, 2017	April 1, 2016
Deferred tax assets			
Minimum alternative tax credit entitlement (MAT credit)	149.96	149.96	-
Additional MAT credit entitlement recognised during the year	2.38	-	-
	152.34	**-**	**-**
Deferred tax assets	191.94	149.96	-
Deferred tax liabilities	(63.67)	-	-
Deferred Tax Asset (net)	**280.61**	**149.96**	**-**

Reconciliation of deferred tax Asset (net)	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance	149.96	-	-
Tax income/(expense) during the year in Profit and Loss	96.01	149.96	-
Tax income/(expense) during the year in OCI	32.26	-	-
MAT credit entitlement for the year	2.38	-	-
Closing balance	**280.61**	**149.96**	**-**

Particulars	Balance sheet		Profit and loss		OCI	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
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	-	-	-
Gross deferred tax liability	**63.67**	**-**	**63.67**	**-**	**-**	**-**
Deferred tax asset						
MAT credit	152.34	149.96		149.96	-	-
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	146.08	-	113.82	-	32.26	-
Provision for diminution in the value of investments	-	-	-	-	-	-
impairment allowance (doubtful debts and advances)	40.72	-	40.72	-	-	-
Provision for deposits	4.76	-	4.76	-	-	-
Unabsorbed depreciation carried forward	-	-	-	-	-	-
Business losses carried forward	-	-	-	-	-	-
Others	0.38	-	0.38	-	-	-
Gross deferred tax asset	**344.28**	**149.96**	**159.68**	**149.96**	**32.26**	**-**
Net deferred tax asset / deferred tax liability	**280.61**	**149.96**	**96.01**	**-**	**-**	**-**

The tax losses of Company (business and unabsorbed depreciation) which arose in India as at March 31, 2018 is Rs Nil (March 31, 2017: Rs. 1,879.87 lakhs and April 1, 2016: Rs. 4,767.28 lakhs). No deferred taxes have been created against these losses as at March 31, 2017 and April 1, 2016 in the absence of reasonable certainty that taxable profits will be available in future to utilise these losses.

The losses of subsidiaries as at March 31, 2018 is Rs. 1,250.34 lakhs (March 31, 2017: Rs. 1,784.01 lakhs and April 1, 2016: Rs. 1,253.48 lakhs). No deferred tax assets have been recognised with respect to losses pertaining to subsidiaries. The losses pertaining to subsidiaries under closure process as at March 31, 2018 amounts to Rs. 709.55 lakhs. The expiry dates of the remaining losses eligible to be carried forward (excluding losses of subsidiaries under closure process) is as below:

Period of expiry	Amount
March 31, 2036	1,253.48
March 31, 2037	1,784.01
March 31, 2038	1,250.34

The Group has re-assessed the previously unrecognised deferred tax assets on certain temporary differences and recognised deferred tax assets (excluding MAT credit) of Rs. 96.01 lakhs in the statement of profit and loss account and Rs. 32.26 lakhs in the statement of other comprehensive income for the year ended March 31, 2018. Accordingly the deferred tax credit relating to year ended March 31, 2018 is not comparable to other periods presented.

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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

12 Share Capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised shares			
36,000,000 Equity shares of Rs.5/- each (March 31, 2017: 36,000,000; April 1, 2016: 36,000,000 Equity shares of Rs.5/- each)	1,800.00	1,800.00	1,800.00
4,200,000 (March 31, 2017: 4,200,000; April 1, 2016: 4,200,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each	210.00	210.00	210.00
Issued, subscribed and fully paid-up equity shares			
22,710,911 Equity shares of Rs.5/- each (March 31, 2017: 21,241,591; April 1, 2016: 14,778,256 Equity shares of Rs.5/- each)	1,135.55	1,062.08	738.91
	1,135.55	**1,062.08**	**738.91**
Issued, subscribed and fully paid-up preference shares			
Nil (March 31, 2017: Nil; April 1, 2016: 1,932,300 CCPS of Rs.5/- each) (Series - A)	-	-	96.62
Nil (March 31, 2017: Nil; April 1, 2016: 1,420,552 CCPS of Rs.5/- each) (Series - B)	-	-	71.03
Nil (March 31, 2017: Nil; April 1, 2016: 254,872 CCPS of Rs.5/- each) (Series - C)	-	-	12.74
Total issued, subscribed and fully paid-up share capital	**-**	**-**	**180.39**

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

Equity shares

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	21,241,591	1,062.08	14,778,256	738.91	24,630,426	738.91
Issued during the year (refer note 44)	1,334,897	66.75	-	0.00		
Issued during the year - ESOP (refer note 33)	134,423	6.72	77,663	3.88	-	0.00
Issued during the year - Conversion of preference shares in to equity Shares (CCPS-Series A)	-	-	3,420,171	171.01	-	0.00
Issued during the year - Conversion of preference shares in to equity shares (CCPS-Series B)	-	-	2,514,377	125.72	-	0.00
Issued during the year - conversion of preference Shares in to equity shares (CCPS-Series C)	-	-	451,124	22.56	-	0.00
Impact of consolidation of shares	-	-	-	-	(9,852,170)	0.00
Outstanding at the end of the year	**22,710,911**	**1,135.55**	**21,241,591**	**1,062.08**	**14,778,256**	**738.91**

CCPS (Series A)

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	1,932,300	96.72	3,220,500	96.62
Conversion into equity shares	-	-	1,932,300	96.72		
Impact of consolidation of shares	-	-	-	-	(1,288,200)	0.00
Outstanding at the end of the year	**-**	**-**	**-**	**-**	**1,932,300**	**96.62**

The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.74.39 lakhs was adjusted to securities premium against the additional 1,487,871 equity shares issued against such CCPS.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

CCPS (Series B)

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	1,420,552	71.03	2,367,586	71.03
Conversion into equity shares	-	-	1,420,552	71.03	-	0.00
Impact of consolidation of shares	-	-	-	-	(947,034)	0.00
Outstanding at the end of the year	**-**	**-**	**-**	**-**	**1,420,552**	**71.03**

The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.54.69 lakhs was adjusted to securities premium against the additional 1,093,825 equity shares issued against such CCPS.

CCPS (Series C)

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	254,872	12.74	424,788	12.74
Conversion into equity shares	-	-	254,872	12.74	-	0.00
Impact of consolidation of shares	-	-	-	-	(169,916)	0.00
Outstanding at the end of the year	**-**	**-**	**-**	**-**	**254,872**	**12.74**

The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs 9.81 lakhs was adjusted to securities premium against the additional 196,252 equity shares issued against such CCPS.

(b) Terms/rights attached to equity shares

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

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

(c) Terms of conversion of CCPS

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

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

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

Equity shares of Rs.5/- each fully paid

Name of shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	11,428,766	50.32%	11,813,213	55.61%	11,768,137	79.63%
CMDB II	3,366,415	14.82%	5,049,622	23.77%	431,504	2.92%
Mayfield XII, Mauritius	2,378,488	10.47%	2,534,248	11.93%	766,694	5.19%
HDFC Trustee Company Limited - HDFC Prudence Fund and Capital Builders Fund	1,962,977	8.64%	-	-	-	-
Bessemer India Capital Holdings II Ltd	-	-	1,461,006	6.88%	1,461,006	9.89%

Notes to the consolidated financial statements for the year ended March 31, 2018

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

* 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.

12 Share Capital *(continued)*

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

Name of shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
CMDB II	-	-	-	-	1,932,300	100.00%

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

Name of shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Mayfield XII, Mauritius	-	-	-	-	871,182	61.33%
CMDB II	-	-	-	-	549,370	38.67%

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

Name of shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Mayfield XII, Mauritius	-	-	-	-	127,436	50.00%
CMDB II	-	-	-	-	127,436	50.00%

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

	As at March 31				
	2017	2016	2015	2014	2013
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 05, 2015, the Shareholders approved the consolidation of shares as follows - every 5 (Five) existing equity shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) equity shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up and every 5 (Five) existing preference shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) preference shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up.

(iii) On August 10, 2016, the Company converted 6,385,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 138.90 lakhs for the conversion.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan of the Company, please refer note 33.

(g) During the year ended March 31, 2018, the Company has not issued shares for consideration other than cash.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts are in ₹ lakhs, unless otherwise stated)

13 Other equity

	As at March 31, 2018	As at March 31, 2017
Securities premium account		
Opening balance	171.20	215.09
Add: issue of share capital (refer note 44)	12,933.26	-
Add: exercise of share options	175.75	95.01
Less: transaction costs on issue of shares (Note 44)	(777.55)	-
Less: utilised for bonus shares issued on conversion of preference shares (Refer note below*)	-	(138.90)
Closing balance	**12,502.66**	**171.20**
Retained earnings		
Opening balance	(4,338.62)	(8,596.77)
Profit for the year	7,386.26	4,296.43
Other comprehensive income (Note 28)	(60.06)	(52.13)
Add: transferred from share-based payments reserve upon lapse of stock options	3.79	13.85
Closing balance	**2,991.37**	**(4,338.62)**
Share-based payments reserve		
Opening	115.62	114.51
Add: addition during the year	7.33	33.86
Less: share options exercised during the year transferred to securities premium	(31.91)	(18.90)
Less: transferred to retained earnings upon lapse of stock options	(3.80)	(13.85)
Closing balance	**87.24**	**115.62**
Foreign currency translation reserve		
Opening	37.84	-
Additions during the year	10.26	37.84
Closing balance	**48.10**	**37.84**
Total other equity	**15,629.37**	**(4,013.96)**

* On August 10, 2016, the Company converted 6,385,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 138.90 lakhs for the conversion.

14 Borrowings (at amortised cost)

	Effective interest rate (%)	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current				
Vehicle loan (secured)*	10.01%	-	15.61	50.53
Less: Current maturities of long term borrowings (refer note 15B)			(15.61)	(34.92)
Total		**-**	**-**	**15.61**
Current				
Bank overdraft (secured)**	5.40%	641.47	4,437.60	4,819.25
Total		**641.47**	**4,437.60**	**4,819.25**

* The loan is secured by hypothecation of vehicle and is repayable in 36 equated monthly installments starting from September 5, 2014.

** As of March 31, 2018, the Overdraft facility is maintained with HDFC Bank which is repayable on demand. The said facility is secured by hypothecation of all current assets of the Company as a primary security. In addition to it, as a collateral security, fixed deposits of Rs. 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, 2017 to March 31, 2018 represents the repayment of borrowings and there are no other cash flow / non-cash changes.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15	**Trade & other payables**			
	(at amortised cost)			
(A)	**Trade payables**			
	Trade payables	1,177.29	1,087.67	2,960.27
	Dues to employees	616.43	407.01	435.19
		1,793.72	**1,494.68**	**3,395.46**
(B)	**Other payables**			
	Non-current			
	Settlement payables (refer note 35C))	-	-	1,986.60
		-	**-**	**1,986.60**
	Current			
	Current maturities of long term debts (refer note 14)	-	15.61	34.92
	Payables for capital purchases	45.27	139.13	503.83
	Settlement payables (refer note 35(C))	-	1,916.45	2,505.11
		45.27	**2,071.19**	**3,043.86**

"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 40.

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
16	**Other liabilities**			
	Non-current			
	Deferred revenue	30.31	25.14	108.11
		30.31	**25.14**	**108.11**
	Current			
	Deferred revenue	6,515.40	5,796.66	5,262.58
	Advances from customers	147.15	88.68	112.55
	Withholding and other taxes payable	805.94	189.56	267.85
		7,468.49	**6,074.90**	**5,642.98**
17	**Provisions**			
	Non-current			
	Provision for employee benefits			
	Provision for gratuity (refer note 34)	39.64	195.11	163.00
		39.64	**195.11**	**163.00**
	Current			
	Provision for employee benefits			
	- Provision for gratuity (refer note 34)	54.88	192.09	145.00
	- Provision for leave benefits	219.75	195.53	201.44
	Other provisions			
	Provision for litigations (refer note below)	193.78	193.78	176.20
		468.41	**581.40**	**522.64**
	Provision for litigations:			
	The movement of provision for litigation during the period is given below:			
	Opening balance	193.78	176.20	176.20
	Additions	-	17.58	-
	Utilisation / payment	-	-	-
	Closing balance	**193.78**	**193.78**	**176.20**

(a) Service tax: The Company has made provision of Rs.13.29 lakhs for certain disputed liabilities relating to service tax.

(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 PF contribution for the period April 2012 to May 2014. The Company has obtained a stay order from the Honourable High Court of Madras. The Company has also appealed against the order with PF Appellate Tribunal. Since various high courts have rendered different judgments which are in conflict to each other and the matter is now pending with the Honourable Supreme Court, as a matter of prudence the Company has provided for the demand of Rs. 162.91 lakhs and other related liabilities of Rs 17.58 lakhs.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts are in ₹ lakhs, unless otherwise stated)

		Year ended March 31, 2018	Year ended March 31, 2017
18	**Revenue from operations**		
	Income from services	38,660.43	33,076.82
	Less : taxes collected from customers	(5,115.94)	(3,794.91)
		33,544.49	**29,281.91**
	Income from services comprise of:		
	Match making services	31,907.93	28,082.92
	Marriage services	1,636.56	1,198.99
		33,544.49	**29,281.91**
19	**Finance income**		
	Interest income from:		
	- Bank deposits	454.92	375.56
	- Dividend from Investment	120.45	-
	- Fair value changes of interest free security deposits	58.32	59.75
	- Inter company advances and others	1.57	1.77
		635.26	**437.08**
20	**Other income**		
	Liabilities no longer required written back	-	2.37
	Seat sharing revenue	-	5.00
	Fair value gain on financial instruments at fair value through profit or loss	2.40	-
	Miscellaneous income	6.93	3.67
		9.33	**11.04**
21	**Employee benefit expense**		
	Salaries, wages and bonus	11,833.39	10,435.68
	Contribution to provident and other fund	860.69	724.19
	Gratuity expense (refer note 34)	95.02	67.05
	Share based payment expenses	7.33	33.86
	Staff welfare expenses	356.36	304.49
	Recruitment and training	136.19	74.89
		13,288.98	**11,640.16**
22	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	657.99	708.24
	Amortisation of intangible assets	299.46	329.94
		957.45	**1,038.18**
23	**Finance cost**		
	Bank charges	3.64	6.91
	Interest	122.63	435.90
	Interest on settlement payment	26.93	115.85
		153.20	**558.66**
24	**Advertisement and business promotion expenses**		
	Advertisement	4,974.53	4,766.81
	Business promotion expenses	628.67	456.23
		5,603.20	**5,223.04**

Notes to the consolidated financial statements for the year ended March 31, 2018

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

		Year ended March 31, 2018	Year ended March 31, 2017
25	**Other expenses**		
	Web hosting charges	630.14	712.80
	Electricity	523.73	481.64
	Rent and amenities	1,784.54	1,790.30
	Rates and taxes	29.10	40.98
	Insurance	61.70	79.76
	Repairs and maintenance - others	571.94	545.06
	Travelling and conveyance	306.40	325.97
	Communication costs	733.63	840.65
	Printing and stationery	31.54	25.29
	Legal and professional fees	393.21	440.30
	Directors' sitting fees	36.00	32.03
	Exchange differences (net)	27.92	73.50
	Impairment allowance on financial assets	218.83	90.21
	Less: Bad debts written off	(94.24)	(37.30)
	Impairment allowance on financial assets (net)	124.59	52.91
	Litigation expense (refer note 17)	-	17.58
	Loss on sale/ write off of property, plant and equipment (net)	1.77	15.61
	Collection charges	793.82	677.69
	Outsourced photography service charges	789.33	336.37
	Miscellaneous expenses	53.56	46.27
		6,892.92	**6,534.71**

26	**Exceptional items**		
	Profit on liquidation of subsidiary (refer note (i))	-	(23.50)
	Voluntary contribution from Promoter (refer note (35C)	(1281.92)	-
	IPO related expenses charged off (refer note (ii))	-	460.71
		(1281.92)	**437.21**

Note:

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

ii) The Company had earlier filed their Draft Red Herring Prospectus (DRHP) on August 18, 2015, as part of its previous IPO efforts. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 decided to proceed with the IPO activity. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 460.71 lakhs is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item for the financial year ended March 31, 2017.

27	**Income tax expense**		
	The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
	Profit or loss section		
	Current tax:		
	Current income tax charge	1,287.38	151.37
	Deferred tax:		
	Relating to the origination and reversal of temporary differences	(98.39)	-
	Income tax expense reported in the statement of profit and loss	**1,188.99**	**151.37**
	Other comprehensive income (OCI) section		
	Net loss on re-measurement of defined benefit obligation	32.26	-
	Income tax charged to OCI	32.26	-

Notes to the consolidated financial statements for the year ended March 31, 2018

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

		Year ended March 31, 2018	Year ended March 31, 2017
27	**Income tax expense** *(continued)*		
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:		
	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 (34.608%) as follows:		
	Accounting Profit before income tax (A)	**8,575.25**	**4,298.07**
	Profit before income tax multiplied by standard rate of corporate tax in India of 34.608%	2,967.72	1,487.48
	Adjustments		
	Non-deductible expenses	(16.24)	173.38
	Losses utilised on which deferred taxes were not recognised in earlier years (Note 11)	(1,507.25)	(1,919.11)
	Unrecognised deferred taxes on losses and certain temporary differences (net) arising during the year (Note 11)	6.02	243.03
	Difference in tax rates across jurisdictions	16.04	15.22
	Difference in future tax rates resulting in changes in deferred tax rates	1.57	-
	Tax allowances under Income Tax Act, 1961	(46.81)	-
	Deferred tax assets created in the current year relating to the earlier years (Note 11)	(222.63)	-
	Tax exempt income (Note 21)	(41.69)	-
		1,156.73	**-**
	Total tax expense reported in the statement of profit and loss	1,188.99	-
	Total tax expense reported in the other comprehensive income	(32.26)	-
	Total tax expense	**1,156.73**	**-**
28	**Components of Other Comprehensive Income (OCI)**		
	The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
	Re-measurement gains (losses) on defined benefit plans (net of tax impact)	(60.06)	(52.13)
		(60.06)	**(52.13)**
29	**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:

	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax	7,386.26	4,296.43
Weighted average number of shares		
- Basic	21,978,181	18,932,157
Effect of dilution:		
(i) Share options	139,491	233,163
(ii) Compulsory convertible preference shares	-	2,291,844
- Diluted	22,117,672	21,457,164
Earning per share of Rs.5.00/- each		
- Basic	33.61	22.69
- Diluted	33.40	20.02

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

The information regarding micro or small enterprise has been determined on the basis of information available with the management and there are no dues to Micro and Small Enterprises as on March 31, 2018.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

31 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, 2018

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

(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 34.

(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 33.

(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.

32 Group Information

Information about subsidiaries

The Financial Statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Country of incorporation	As at		
			March 31, 2018	March 31, 2017	April 1, 2017
Consim Info USA Inc., USA	Matchmaking services	US	100.00%	100.00%	100.00%
Sys India Private Limited	Advertising services	India	100.00%	100.00%	100.00%
Community Matrimony Private Limited	Online advertising services	India	100.00%	100.00%	100.00%
Bharat Matrimony LLC., Dubai	Matchmaking services	UAE	NA	NA	49.00%
Matchify Services Private Limited	Matchmaking related activities and services	India	100.00%	100.00%	100.00%
Tambulya Online Marketplace Private Limited	Sale of gift items and marriage related articles	India	100.00%	100.00%	100.00%

33 Employee stock option plans

Employee Stock Option Scheme

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

Exercise Period:

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

The expense recognised for share options during the year is Rs. 7.33 lakhs (March 31, 2017: 33.86 lakhs). There are no cancellations or modifications to the awards in March 31, 2018 or March 31, 2017.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

33 Employee stock option plans *(continued)*

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	09-Feb-16 to 01-Apr-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017.
Grant 11	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 four 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	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.

Activity in the options outstanding under 'ESOS 2014':

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Outstanding at the beginning of the year	315,426	436,284
Options lapsed during the year	(11,780)	(45,195)
Option granted during the year	23,300	2,000
Consolidation of shares	-	-
Increase on account of bonus	-	-
Options exercised during the year	(134,423)	(77,663)
Outstanding at the end of the year	192,523	315,426
Vested at the end of the period	135,882	-
Exercisable at the end of the year	139,592	104,072

The weighted average share price at the date of exercise of the options was Rs. 840.60/- (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, 2017: Rs 103 to Rs. 350).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 is in the range of 2 to 4.25 years.(March 31, 2017: 3.04 to 5.25 years)

Notes to the consolidated financial statements for the year ended March 31, 2018

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

33 Employee stock option plans *(continued)*

The following tables list the inputs to the models used for ESOS 2014 for the years ended March 31, 2018 and March 31, 2017, respectively:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Exercise price per share for the options granted during the year (Rs.)	140.83 to 807.50	210.00 to 350.00
Weighted average fair value per share (Rs.)	807.50	210.00 to 350.00
Weighted average fair value of options granted	292.93	28.81 to 94.92
Expected volatility	10%	10% to 35.57%
Life of the options granted (Vesting and exercise period in years)	3.50 to 6.50 Years	3.50 to 6.50 Years
Average risk free interest rate	7.13% to7.89%	7.63% to 8.06%
Expected dividend yield	0%	0%

34 Employee benefits

Defined Contribution Plans - General Description

Provident Fund & other funds:

During the year, the Group has recognised Rs. 858.93 lakhs (March 31, 2017 - Rs. 724.19 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 - 21).

Other long-term employee benefits - General Description

Leave Encashment:

Each employee is entitled to get 12 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed only on completion of 1 year after separation subject to maximum accumulation 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 Group's name with Reliance Nippon Life Insurance.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet:

Statement of Profit and Loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Recognized in profit or loss:		
Current service cost	57.61	46.00
Net interest income on benefit obligation / assets	9.60	21.05
Past service cost	27.81	-
	95.02	**67.05**
Recognized in other comprehensive income:		
Re-measurement losses arising from changes in financial and demographic assumptions	92.32	52.13
	92.32	**52.13**
Net benefit expense	**187.34**	**119.18**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Defined benefit obligation	538.36	391.26	315.31
Fair value of plan assets	(443.84)	(4.06)	(7.31)
Plan liability / (asset)	**94.52**	**387.20**	**308.00**

Notes to the consolidated financial statements for the year ended March 31, 2018

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

34 Employee benefits *(continued)*

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening defined benefit obligation at the beginning of the year	391.24	315.31
Current service cost	57.61	46.00
Past service cost	27.81	-
Interest cost	23.88	21.48
Re-measurement losses on obligation	85.53	52.06
Benefits paid	(47.71)	(43.60)
Closing defined benefit obligation	**538.36**	**391.26**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Fair value of plan assets at the beginning of the year	4.06	7.31
Expected return on plan assets	14.28	0.42
Contributions	480.00	40.00
Benefits paid	(47.71)	(43.60)
Re-measurement losses on plan assets	(6.78)	(0.07)
Fair value of plan assets at the end of the year	**443.84**	**4.06**

The principal actuarial assumptions used in determining gratuity obligation for the Group's plans are shown below:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate	6.70%	6.50%	7.80%
Expected rate of return on assets	6.70%	8.00%	8.00%
Salary escalation	8.00%	8.00%	8.00%
Employee turnover	60.00%	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. 54.88 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

	March 31, 2018	March 31, 2017	April 1, 2016
Investments details:			
Funds with Reliance Nippon Life Insurance	443.84	4.06	7.31
Total	**443.84**	**4.06**	**7.31**

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, 2018 is as shown below:

Gratuity plan:

	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	6% increase	6% 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

Notes to the consolidated financial statements for the year ended March 31, 2018

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

34 Employee benefits *(continued)*

	March 31, 2017					
Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	6% increase	6% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(2.53)	2.54	3.17	(3.17)	(11.84)	11.84

	April 1, 2016					
Assumptions	Discount rate		Future salary increases		Future salary increases	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	6% increase	6% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(57.12)	53.73	2.65	(2.46)	(11.03)	11.03

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, 2018	Year ended March 31, 2017
Within the next 12 months (next annual reporting period)	298.22	208.88
Between 1 and 5 years	278.04	209.25
Between 5 and 10 years	12.21	9.84
Total expected payments	**588.47**	**427.97**

The average duration of the defined benefit plan obligation at the end of the reporting period is 1.8 years (March 31, 2017: 1.9 years; April 1, 2016: 1.8 years)

35 Commitment and Contingencies

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a)	Capital commitments (net of advances and deposit)	35.01	3,890.08	82.96
(b)	Leases			

Operating lease commitments — Group as lessee

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

Lease payments recognised in the statement of profit and loss	1,783.44	1,784.73	NA

Future minimum rentals payable under non-cancellable operating leases as at 31 March are, as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Within one year	1,002.73	1,006.23	1,160.29
After one year but not more than five years	2,591.14	3,044.97	1,960.67
More than five years	663.34	873.58	207.17
	4,257.21	**4,924.78**	**3,328.13**

Notes to the consolidated financial statements for the year ended March 31, 2018

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

35 Commitment and Contingencies *(continued)*

(c) Other commitments:

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

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

The Company obtained the regulatory approval from the Reserve Bank of India for the provision for such corporate guarantee and has executed a Deed of Guarantee with the plaintiff and Consim US, guaranteeing the payment of the Settlement Amount by Consim US. Consim US has commenced the payments under the Settlement Agreement and the first payment of ten lakhs dollars (USD$ 1,000,000) was made on March 28, 2016. After the payment of first instalment of the settlement, the parties filed for and obtained the dismissal of the litigation in New Jersey and in India. The remaining settlement payments are due on the last day of each month commencing after the first Settlement Payment, from April 2016 till December 2017 and are required to be of a minimum of USD$ 250,000, provided that the total paid in each quarter is at least USD$ 1,000,000. Consim US has paid the entire amount of the liability as at March 31, 2018, and the corporate guarantee has consequently been cancelled.

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

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 current 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. 128,191,600 ($ 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, 2018	As at March 31, 2017	As at April 01, 2016
Additional liability due to Payment of Bonus Act Retrospective Amendment	Refer note (i) below	Refer note (i) below	Refer note (i) below
FEMA non-compliance	Refer note (iii) below	Refer note (iii) below	-
Income tax	Refer note (iv) below	Refer note (iv) below	Refer note (iv) below
Service tax	Refer note (ii) below	Refer note (ii) below	Refer note (iii) below

Note:

(i) During the previous year the Company has obtained stay against the retrospective implementation of Payment of Bonus (Amendment) Act, 2015 with the Madras High Court for the year 2014-15, contending that such retrospective application is unconstitutional, ultra-vires and void. The impact of such change for the financial year 2014-15 is Rs.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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

35 Commitment and Contingencies *(continued)*

(ii) The Company has certain pending litigations with CESTAT, and on a prudent basis, the Company has provided for the service tax liabilities and interest. Further the Company received a demand order from Commissioner of Service tax for the period 2007-08 to 2009-10 under section 78 of the Finance Act regarding non-payment of service tax on import of certain services made during that period. The Company admitted the liability and made payments along with interest. Based on legal consultation, it believes that no provision is required to be made in the books in respect of the penalty of Rs. 69.12 lakhs demanded by the authorities.

(iii) 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.

(iv) 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.

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 has filed appeals with CIT (Appeals). Management believes that the ultimate outcome of this proceedings would be favourable.

36 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
	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. S Parameshwar, Chief Financial Officer (till August 12, 2016)
	Mr. K Balasubramanian, Chief Financial Officer (from August 22, 2016)
	Mr. S Vijayanand , Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman
Independent directors	Mr. Milind Shripad Sarwate
	Mr. George Zacharias
	Mr. Chinni Krishnan Ranganathan

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, 2018 and March 31, 2017, the Group has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 10 and Note 15A for Trade Receivables and Trade Payables respectively).

Notes to the consolidated financial statements for the year ended March 31, 2018

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

36 Related party disclosures *(continued)*

b. Transactions with related parties:

Particulars	Enterprises owned or significantly influenced by KMP/ Enterprises in which Directors are interested		Key Management Personnel		Relatives of Key Management Personnel		Investor having significant influence	
	As at March 31							
	2018	2017	2018	2017	2018	2017	2018	2017
Seat sharing revenue								
- India Property Online Private Limited	-	5.00	-	-	-	-	-	-
Remuneration to Key Management Personnel & relative of Key Management Personnel								
Short term employee benefits	-	-	360.87	339.40	10.12	9.56	-	-
SBP expenses	-	-	3.02	-	-	-	-	-
Sitting fees	-	-	36.00	32.03	-	-	-	-
Other financial assets								
- India Property Online Private Limited	40.27	83.57	70.74	-	-	-	-	-

* 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.

37 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, 2018	103.29%	17,316.70	67.47%	4,983.83	120.60%	(60.06)	67.11%	4,923.77
Balance as at 31 March, 2017	-0.43%	12.59	53.27%	2,288.75	136.18%	(52.13)	52.52%	2,236.62
Subsidiaries								
Indian								
1 Community Matrimony Private Limited								
Balance as at 31 March, 2018	0.00%	-	-0.04%	(2.74)	-	-	-0.04%	(2.74)
Balance as at 31 March, 2017	-0.09%	2.74	0.00%	0.08	-	-	0.00%	0.08
2 Sys India Private Limited								
Balance as at 31 March, 2018	0.05%	7.89	0.01%	0.59	-	-	0.01%	0.59
Balance as at 31 March, 2017	-0.25%	7.30	0.07%	3.08	-	-	0.09%	3.08
3 Matchify Services Private Limited								
Balance as at 31 March, 2018	0.00%	0.00	-0.08%	(6.22)	-	-	-0.08%	(6.22)
Balance as at 31 March, 2017	-0.21%	6.22	-0.49%	(20.87)	-	-	-0.49%	(20.87)
4 Tambulya Online Marketplace Private Limited								
Balance as at 31 March, 2018	0.00%	0.00	-0.11%	(8.42)	-	-	-0.11%	(8.42)
Balance as at 31 March, 2017	-0.29%	8.42	-1.07%	(46.04)	-	-	-1.08%	(46.04)
Foreign								
1 Consim Info USA Inc., USA								
Balance as at 31 March, 2018	-3.34%	(559.66)	32.75%	2,419.23	-20.60%	10.26	33.12%	2,429.49
Balance as at 31 March, 2017	101.26%	(2,989.15)	48.19%	2,070.74	-36.18%	13.85	48.95%	2,084.59
2 Bharat Matrimony LLC., Dubai (till April 25, 2016)								
Balance as at 31 March, 2018	-	-	-	-	-	-	-	-
Balance as at 31 March, 2017	-	-	0.02%	0.92	-	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2018

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

38 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.

Other services includes operations of Matchify.com private limited

The Management Committee headed by Managing Director consisting of Chief Financial Officer, Head of Departments and Human resources 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, 2018	Year ended March 31, 2017
A. Segment Revenue		
External sales		
- Matchmaking services	31,907.93	28,076.35
- Marriage services and related sale of products	1,636.56	1,205.56
- Others	-	-
Total Revenue	**33,544.49**	**29,281.91**
Segment Expenses		
Employee benefits expense		
- Matchmaking services	11,199.45	9,839.28
- Marriage services and related sale of products	1,566.11	1,284.31
- Others	-	1.15
Advertisement and business promotion expense		
- Matchmaking services	5,125.91	4,812.44
- Marriage services and related sale of products	477.26	393.95
- Others	-	16.65
Other expenses		
- Matchmaking services	5,144.82	5,285.70
- Marriage services and related sale of products	1,271.63	725.32
- Others	6.12	1.84
Depreciation and amortisation expense		
- Matchmaking services	660.14	753.44
- Marriage services and related sale of products	68.92	51.52
- Others	0.11	0.94
B. Segment Results		
- Matchmaking services	9,777.61	7,385.47
- Marriage services and related sale of products	(1,747.37)	(1,249.54)
- Others	(6.22)	(20.58)
Total	**8,024.02**	**6,115.35**

Reconciliation of profit	March 31, 2018	March 31, 2017
Segment profit	**8,024.02**	**6,115.35**
Unallocable expenses (net of unallocable revenue)	1,212.75	1,258.49
Other finance costs	153.20	558.66
Finance income	(635.26)	(437.08)
Exceptional items	(1,281.92)	437.21
Profit before tax	**8,575.25**	**4,298.07**

Notes to the consolidated financial statements for the year ended March 31, 2018

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

38 Segment reporting *(continued)*

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
C. Segment Assets			
- Matchmaking services	3,271.82	3,351.07	4,168.81
- Marriage services and related sale of products	516.11	331.37	301.56
- Others	-	6.34	46.11
Unallocable assets	14,159.70	7,739.99	7,497.87
Other assets held for investing activities	7,372.85	-	-
Income taxes	2,009.55	499.37	361.63
Total Assets	**27,330.03**	**11,928.14**	**12,375.98**
D. Segment Liabilities			
- Matchmaking services	6,776.32	8,912.17	12,149.46
- Marriage services and related sale of products	424.38	560.41	572.18
- Others	-	0.12	47.02
- Unallocable	3,364.41	5,407.32	6,928.85
Total Liabilities	**10,565.11**	**14,880.02**	**19,697.51**

Particulars	March 31, 2018	March 31, 2017
E. Capital Expenditure		
- Matchmaking services	368.89	332.88
- Marriage services and related sale of products	179.99	27.02
- Others	-	-
- Unallocable	4,753.83	287.85
Total Capital Expenditure	**5,302.71**	**647.75**
F. Depreciation / Amortisation		
- Matchmaking services	660.20	752.51
- Marriage services and related sale of products	68.92	51.52
- Others	0.05	0.94
- Unallocable	228.28	233.21
Total Depreciation / Amortisation	**957.45**	**1,038.18**
G. Non-cash items other than Depreciation / Amortisation		
- Matchmaking services	52.83	49.50
- Marriage services and related sale of products	218.83	48.05
- Others	-	-
- Unallocable	14.97	47.02
Total Non-cash items other than Depreciation / Amortisation	**286.63**	**144.57**

Revenue from external customers

Particulars	March 31, 2018	March 31, 2017
Segment Revenue		
- India	28,876.78	24,846.66
- Outside India	4,667.71	4,435.25
Total Revenue	**33,544.49**	**29,281.91**

The revenue information above is based on the location of the customers

Non current operating assets

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
- India	6,760.77	2,423.05	2,837.44
- Outside India	0.28	0.48	3.15
Total	**6,761.05**	**2,423.53**	**2,840.59**

Non-current assets for this purpose consists of property, plant and equipment and intangible assets.

Other disclosures

Particulars	March 31, 2018	March 31, 2017
Capital expenditure	**5302.71**	**647.75**

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 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. Therefore revenue from none of the customers exceeds 10% of Group's total revenue.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

39 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.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

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	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

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, 2017	-	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:

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	**April 1, 2016**	**-**	**-**	**-**	**-**

40 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 a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial 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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

40 Financial risk management objectives and policies *(continued)*

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2018		
INR	+50	12.70
INR	-50	(12.70)
March 31, 2017		
INR	+50	23.14
INR	-50	(23.14)

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, with the remainder denominated in US dollars. We have certain trade payables denominated in U.S. dollar as on March 31, 2018, March 31, 2017 and April 1, 2016. The Group currently do not use any foreign exchange hedging contracts to manage our exchange rate risk. However, historically, our results of operations have not been materially affected by fluctuation in exchange rates.

The following table demonstrate the sensitivity to a reasonably possible change in USD 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 rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	5%	0.01	0.01
	-5%	(0.01)	(0.01)
March 31, 2017	5%	0.10	0.10
	-5%	(0.10)	(0.10)
April 1, 2016	5%	13.47	13.47
	-5%	(13.47)	(13.47)

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 10. 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 Finance 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. 17,149.70 lakhs, 5,801.21 lakhs and Rs. 5,838.24 lakhs as at March 31, 2018, March 31, 2017 and April 1, 2016 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.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

40 Financial risk management objectives and policies *(continued)*

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, 2018					
Overdraft	641.47	-	-	-	641.47
Provision	-	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
As at March 31, 2017					
Overdraft	4,437.60	-	-	-	4,437.60
Provision	-	581.40	195.11	-	776.51
Trade and other payables	-	3,565.87	-	-	3,565.87
	4,437.60	4,147.27	195.11	-	8,779.98
As at 1 April, 2016					
Borrowings	-	-	15.61	-	15.61
Overdraft	4,819.25	-	-	-	4,819.25
Other financial liabilities	-	2,505.11	1,986.60	-	4,491.71
Provision	-	522.64	163.00	-	685.64
Trade and other payables	-	6,439.33	-	-	6,439.33
	4,819.25	**9,467.08**	**2,165.21**	**-**	**16,451.54**

41 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, 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, 2018	As at March 31, 2017	As at April 1, 2016
Non-current provisions	39.64	195.11	163.00
Other non-current liabilities	30.31	25.14	108.11
Borrowings	641.47	4,437.60	4,834.86
Trade payables	1,793.72	1,494.68	3,395.46
Other payables	45.27	2,071.19	3,043.86
Other current liabilities	7,468.49	6,074.90	5,642.98
Current provision	468.41	581.40	522.64
Less: cash and cash equivalents	(1,663.64)	(588.37)	(887.16)
Net debt	**8,823.67**	**14,291.65**	**16,823.76**
Convertible preference shares	-	-	180.39
Equity share capital	16,629.57	(3,105.34)	(7,642.76)
Total capital	16,629.57	(3,105.34)	(7,462.37)
Capital and net debt	**25,453.24**	**11,186.31**	**9,361.39**
Gearing ratio	**35%**	**128%**	**180%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

42 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group prepared its Consolidated Financial Statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared Consolidated Financial Statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

1) The Group has elected to regard carrying values for all of property, plant and equipment and intangibles as deemed cost at the date of the transition.
2) Cumulative currency translation differences for all foreign operations are deemed to be Rs. Nil as at April 1, 2016.
3) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2016.
4) The Group has elected not to apply Ind-AS 103 to business combinations occurring before the date of transition.

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 (i.e. the date of transition to Ind-AS) and as of March 31, 2017.

Effect of the Transition to Ind AS

Reconciliations of the Group's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 are also presented in Note 46. Reconciliations of the Group's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 46.

43 Standards issued but not effective

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 are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

43 Standards issued but not effective *(continued)*

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and notified by the Ministry of Corporate Affairs on March 29, 2018. It establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is 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. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Group will adopt the new standard on the required effective date. During the current year, the Group performed a preliminary impact assessment of adoption of Ind AS 115 and the same is found to be immaterial.

44 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	Utilized 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 our 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.

45 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	INR (in lakhs)
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 Company.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

46 A Reconciliation of Equity as on April 1, 2016

	Foot Note	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non current assets				
Property plant and equipment		1,920.31	-	1,920.31
Intangible assets		920.28	-	920.28
Goodwill		3.92		3.92
Financial assets				
(a) Security deposits	2	583.90	(126.10)	457.80
(b) Bank balances other than cash and cash equivalent		0.75	-	0.75
Deferred tax assets (Net)		0.00	-	0.00
Advance tax (net)		361.63	-	361.63
Other non-current assets		210.89	-	210.89
		4,001.68	**(126.10)**	**3,875.58**
Current assets				
Financial assets				
(a) Security deposits		762.59	-	762.59
(b) Cash and cash equivalents		887.16	-	887.16
(c) Bank balances other than cash and cash equivalents		4,950.32	-	4,950.32
(d) Trade receivables		189.56	-	189.56
(e) Other financial assets		296.12	-	296.12
Other current assets	2	1,297.19	117.46	1,414.65
		8,382.94	117.46	8,500.40
Total assets		**12,384.62**	**(8.64)**	**12,375.98**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		738.91	-	738.91
(a) Equity component of convertible preference shares		180.39	-	180.39
(b) Securities premium account		215.09	-	215.09
(c) Retained earnings	2, 5, 7 & 8	(8,734.53)	137.76	(8,596.77)
(d) Employee share option outstanding	5	-	114.51	114.51
(e) Foreign currency translation reserve		(9.15)	9.15	-
Total equity		**(7,609.29)**	**261.42**	**(7,347.87)**
Non-controlling interest		**26.34**	**-**	**26.34**
Non-current liabilities				
Financial liabilities				
(a) Borrowings		15.61	-	15.61
(b) Others		1,986.60	-	1,986.60
Provisions		163.00	-	163.00
Other non-current liabilities		108.11	-	108.11
		2,273.32	**-**	**2,273.32**
Current liabilities				
Financial liabilities				
(a) Borrowings		4,819.26	-	4,819.26
(b) Trade payables	7	3,521.82	(126.37)	3,395.45
(c) Others	8	3,187.55	(143.69)	3,043.86
Other current liabilities		5,642.98	-	5,642.98
Provisions		522.64	-	522.64
		17,694.25	**(270.06)**	**17,424.19**
Total liabilities		**19,967.57**	**(270.06)**	**19,697.51**
TOTAL EQUITY AND LIABLITIES		**12,384.62**	**(8.64)**	**12,375.98**

Notes to the consolidated financial statements for the year ended March 31, 2018

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

46 B Reconciliation of Equity as on March 31, 2017

	Foot Note	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property plant and equipment		1,776.65	-	1,776.65
Intangible assets		646.88	-	646.88
Financial assets				
(a) Security deposits	2	994.79	(220.45)	774.34
(b) Bank balances other than cash and cash equivalent		0.75	-	0.75
Deferred tax assets (Net)		149.96	-	149.96
Non-current tax assets (net)		386.32	-	386.32
Other non-current assets		433.03	-	433.03
		4,388.38	**(220.45)**	**4,167.93**
Current assets				
Financial assets				
(a) Security deposits		271.00	-	271.00
(b) Cash and cash equivalents		588.37	-	588.37
(c) Bank balances other than cash and cash equivalents		5,212.09	-	5,212.09
(d) Trade receivables		215.66	-	215.66
(e) Other financial assets		355.66	-	355.66
Other current assets	2	905.39	212.04	1,117.43
		7,548.17	**212.04**	**7,760.21**
TOTAL ASSETS		**11,936.55**	**(8.41)**	**11,928.14**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,062.08	-	1,062.08
Other equity				
(a) Securities premium account		171.20	-	171.20
(b) Retained earnings	2, 5, 7 & 8	(4,384.53)	45.91	(4,338.62)
(c) Employee share option outstanding	5	-	115.62	115.62
(d) Foreign currency translation reserve		37.84	-	37.84
Total equity		(3113.41)	161.53	(2951.88)
Non-current liabilities				
Provisions		195.11	-	195.11
Other non-current liabilities		25.14	-	25.14
		220.25	**-**	**220.25**
Current liabilities				
Financial liabilities				
(a) Borrowings		4,437.60	-	4,437.60
(b) Trade payables	7	1,636.78	(142.10)	1,494.68
(c) Others	8	2,099.03	(27.84)	2,071.19
Other current liabilities		6,074.90	-	6,074.90
Provisions		581.40	-	581.40
		14,829.71	**(169.94)**	**14,659.77**
Total liabilities		**15,049.96**	**(169.94)**	**14,880.02**
TOTAL EQUITY AND LIABLITIES		**11,936.55**	**(8.41)**	**11,928.14**

Notes to the consolidated financial statements for the year ended March 31, 2018

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

46 C Reconciliation of profit or loss for the year ended March 31, 2017

	Foot Note	Previous GAAP	Adjustments	Ind AS
Reconciliation of profit or loss for the year ended March 31, 2017				
Revenue from operations		29,281.91	-	29,281.91
Other income		11.04	-	11.04
Total Income		**29,292.95**	**-**	**29,292.95**
Expenses				
Employee benefits expense	4 & 5	11,658.44	(18.28)	11,640.16
Advertisement and business promotion expenses		5,223.04	-	5,223.04
Other expenses	2	6,490.90	43.81	6,534.71
Total expenses		**23,372.38**	**25.53**	**23,397.91**
Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)		**5,920.57**	**(25.53)**	**5,895.04**
Depreciation and amortisation expense		1,038.18	-	1,038.18
Finance costs	8	442.81	115.85	558.66
Finance income	1 & 7	(377.33)	(59.75)	(437.08)
Profit before exceptional items and tax		**4,816.91**	**(81.63)**	**4,735.28**
Exceptional items		437.21	-	437.21
Profit before tax		**4,379.70**	**(81.63)**	**4,298.07**
Tax expense				
- Current income tax		151.37	-	151.37
- Deferred tax (net)		(149.96)	-	(149.96)
Total tax expense		**1.41**	**-**	**1.41**
Profit for the year (I)		**4,378.29**	**(81.63)**	**4,296.66**
Other comprehensive income:				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains and (losses) on defined benefit obligations (net)	4	-	(52.13)	(52.13)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)			**(52.13)**	**(52.13)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange difference on translation of foreign operations		-	13.85	13.85
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)		**-**	**13.85**	**13.85**
Other comprehensive income/(loss) for the year, net of tax (A+B) (II)		**-**	**(38.28)**	**(38.28)**
Total comprehensive income for the year, net of tax (I + II)		**4,378.29**	**(119.91)**	**4,258.38**
Net Profit for the year attributable to:		**4,378.29**		**4,296.66**
- Owners of the Company		4,378.06	-	4,296.43
- Non-controlling interests		0.23	-	0.23
Total comprehensive income for the year attributable to:		**4,378.29**		**4,258.38**
- Owners of the Company		4,378.06	-	4,258.15
- Non-controlling interests		0.23	-	0.23

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017.

1. **Reclassification**

   The assets and liabilities as at April 1, 2016 and March 31, 2017 have been re-grouped / re-classified, where necessary to comply with the accounting policies of the Company under Ind AS.

2. **Security deposit**

   Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. The prepaid rent is amortised over the period of the deposit.

3. **Other comprehensive income**

   Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

4. **Re-measurement of actuarial gains/ (losses):**

   Both under Indian GAAP and Ind AS, the costs related to its post-employment defined benefit plan were recognised on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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.

5. **Share based payment**

   Under Indian GAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

6. **Financial liability at amortised cost**

   Under Indian GAAP, the Company did not recognise financial guarantee obligation for corporate guarantee given to Consim US. Ind AS prescribes accounting for financial guarantees at the fair value. Subsequently these financial guarantee obligation and Guarantee fee receivable are measured at amortised cost using Effective Interest Rate (EIR) method and been recognised in the Balance Sheet.

7. **Leases - Reversal of rent straight lining**

   Under Indian GAAP, the Company recognised the provision for rent escalation over the lease period for office premises and retail outlets taken on lease. Under Ind AS, if the increase in the payments to the lessor is on account of expected general inflation, straight lining of rental expenses is not required.

8. **Fair valuation of liabilities with deferred credit terms**

   As per previous GAAP, the Group had recognised liability for interest free settlement payable for an arbitration case at transaction value. However, As per Ind AS, (i) the settlement payable is to be recognised at amortised cost and, (ii) interest expense (imputed) on the liability has to be recognised through effective interest method.

8. **Statement of cash flows**

   The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

47 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.

48 Previous year comparatives

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

As per our report of even date

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

Shankar Srinivasan
Partner Membership No: 213271

Place: Hyderabad
Date : May 3, 2018

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

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

K Balasubramanian
Chief Financial Officer

S Vijayanand
Company Secretary

Place: Chennai
Date : May 3, 2018

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MATRIMONY.COM LIMITED

(CIN: U63090TN2001PLC047432)

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 Seventeenth Annual General Meeting of the company, to be held at 09.30 A.M. on Friday, the 10th day of August 2018 at "Kasturi Srinivasan Hall" The Music Academy, 168 (Old no. 306), T T K Road, Chennai - 600 014 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, 2018 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, 2018.		
3.	To declare a final dividend on equity shares.		
4.	To appoint a Director in place of Smt. Deepa Murugavel, who retires by rotation and being eligible, offers herself for re-appointment.		
5.	To ratify the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
6.	To re-appoint Shri. Murugavel Janakiraman as Managing Director of the Company for a period of three years commencing from 1st July 2018 and to fix his remuneration.		

Signed this ______ day of ______________________ 2018

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 beforecommencement 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: U63090TN2001PLC047432)

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: ______________________________

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I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company held on Friday, the 10th August, 2018 at 9.30 a.m. at "Kasturi Srinivasan Hall" The Music Academy, 168 (Old no. 306), T T K Road, Chennai - 600 014.

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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 17th 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.W

MATRIMONY.COM LIMITED

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

MATRIMONY.COM LIMITED

Disclosures as specified Reg.14 of SEBI (Share Based Employee Benefits) Regulation 2014 and Rule 12(9) of Companies Share Capital and Debentures Rules 2014.

Details related Employee Stock Option Scheme 2014

i) Description of the scheme

Our Company adopted the Employee Stock Option Scheme (A) 2010 to reward its employees for their past association and performance. The scheme was amended and renamed as Employee Stock Option Scheme 2014 ("**ESOP Scheme**") by the Board of Directors vide resolution dated April 7, 2014 which was approved by the Shareholders vide resolution dated April 11, 2014. As per the certificate issued by statutory auditors, the ESOP Scheme is in compliance with applicable regulations, including relevant Guidance Notes or Accounting Standards issued by the Institute of Chartered Accountants of India in this regard, the Companies Act, 2013 and the ESOP Regulations.

Pursuant to resolutions of our shareholders dated November 19, 2010 and April 11, 2014 and resolution of our Board dated October 13, 2010 and circular resolution of the Board dated April 7, 2014, our Company has implemented the ESOP Scheme. Under the provisions of the ESOP Scheme, the shareholders have approved to grant up to 1,785,186 employee stock options exercisable into 1,785,186 equity shares of face value Rs. 3 each to eligible employees of our Company. Pursuant to consolidation of shares from Rs.3/- to Rs.5/-, the options granted were adjusted accordingly. As per the scheme, the minimum vesting period would be 1 year and maximum period is 5 years, from the date of grant. The exercise price shall be at a price which is not less than the face value per share. The options granted shall be exercised within 5 years from the date of vesting. The source of shares is primary.

Further, the shareholders have ratified the Pre-IPO scheme in terms of SEBI (Share based employee benefits) Regulations 2014, approved grant of options upto 955804 options exercisable into 955804 equity shares of Rs.5/- each including options already granted and approved the following amendments to ESOP 2014 vide resolution passed through postal ballot on January 2, 2018:

In case of Resignation/Termination other than for a cause/Retirement/Early retirement approved by the Company, all the vested options shall be exercised by the employee not later than one months from the date of resignation/retirement.

ii) Method used to account for ESOS (Intrinsic/Fair value): **Fair Value**

iii) Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at as computed and the employee compensation that shall have been recognized if fair value of options computed**: Not Applicable**

iv) The impact of the difference on profits and on EPS of the Company: **Not**

Applicable

v) Option Movement during the year

Sl. No.	Particulars	ESOS 2014
1.	Number of options outstanding at the beginning of the year	315426
2.	Number of options granted during the year	23300
3.	Number of options forfeited / lapsed during the year	11780
4.	Number of options vested during the year	122995
5.	Number of options exercised during the year	134423
6.	Number of shares arising as a result of exercise of options	134423
7.	Variation of terms of options	NIL
8.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	15055869
9.	Number of options outstanding at the end of the year	192523
10	Number of options exercisable at the end of the year	139592

Employee wise details of options granted to

Key Managerial Personnel	Mr. K Balasubramanian, Chief Financial Officer received 5000 options during the year
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Mr. Narayanan R, GM - Campaign Analytics received 3000 options during the year
	Mr. Srinath Duggirala Vice President – Product received 3600 options during the year
	Mr. Uma Srinivasan Asst Vice President – HR received 3600 options during the year
	Mr. Ragu V General Manager – Technical received 3000 options during the year

	Dinesh Nirmal David, Asst Vice President - Elite Sales received 3600 options during the year
	Mr. K Balasubramanian, Chief Financial Officer received 5000 options during the year
	Mr. Sanjeev Misra, Sr. Vice President – Sales received 1500 options during the year
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

vi) Weighted Average Exercise Price of the options was Rs. 840.60/- (Face Value Rs. 5/- per share). The range of exercise prices for the options outstanding at the end of year was Rs. 103 to 807.50.

vii) Description of the Method and significant assumptions used during the year to estimate the fair value of options

a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model

Fair Value of Options granted on March 21, 2018 - Grant 12, 13 & 15

Exercise Price	807.50		
Inputs			
Stock Price Now (P_s)	Rs. 807.50	Rs. 807.50	Rs. 807.50
Standard Dev - Annual Volatality (s)	10.12%	10.12%	10.12%
Risk free Rate - Annual (R)	7.50%	7.76%	7.89%
Exercise Price (E)	Rs. 807.50	Rs. 807.50	Rs. 807.50
Time To Maturity - Years (T)	3.53	4.53	5.54
Dividend yield (d)	0.00%	0.00%	0.00%
Outputs			
d1	1.488	1.739	1.953
d2	1.297	1.523	1.715
N(d1)	0.932	0.959	0.975
N(d2)	0.903	0.936	0.957
Call Price (V_c)	**Rs. 193.01**	**Rs. 242.56**	**Rs. 287.88**
Weighted Average of Option Fair Value	**Rs.241.15/-**		

Fair Value of Options granted on March 21, 2018 - Grant 14

Exercise Price	484.50	
Inputs		
Stock Price Now (P_s)	Rs. 807.50	Rs. 807.50
Standard Dev - Annual Volatility (s)	10.12%	10.12%
Risk free Rate - Annual (R)	7.50%	7.76%
Exercise Price (E)	Rs. 484.50	Rs. 484.50
Time To Maturity - Years (T)	3.53	4.53
Dividend yield (d)	0.00%	0.00%
Outputs		
d1	4.171	4.108
d2	3.981	3.893
N(d1)	1	1
N(d2)	1	1
Call Price (V_c)	**Rs. 435.81**	**Rs. 466.65**
Weighted Average of Option Fair Value	**Rs.451.23/-**	

Fair Value of Options granted on March 21, 2018 - Grant 16

Exercise Price	141
Inputs	
Stock Price Now (P_s)	Rs. 807.50
Standard Dev - Annual (s)	10.12%
Riskfree Rate - Annual (R)	7.50%
Exercise Price (E)	Rs. 140.83
Time To Maturity - Years (T)	3.53
Dividend yield (d)	0.00%
Outputs	
d1	10.662
d2	10.472
N(d1)	1
N(d2)	1
Call Price (V_c)	**Rs. 699.46**
Weighted Average of Option Fair Value	**Rs. 699.46**

b) Methodology for determination of volatility:

As the Company was listed on September 21, 2017 and started trading from approx last 6 months only, we have calculated the annual volatility of BSE S&P 200 index for the period from September 21, 2017-March 21, 2018 which comes out 10.12%.

c) **The method used and the assumptions made to incorporate the effects of expected early exercise**

The total exercise period as per ESOS is 5 years from each vesting date. However the employees generally used to exercise the options in 3 years and hence we have taken an average period of 2.5 years as exercise period from date of each vesting.

d) **whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition**

NA

Disclosures in respect of grants made in three years prior to IPO under each ESOS

There are no other Employee Stock Option scheme other than the Matrimony.com Ltd Employee Stock Option Scheme 2014. The disclosures in respect of the scheme is given above.