

July 16, 2021

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 Jeejeebhoy 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 2021.

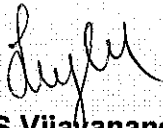
The Annual Report is available on the website of the Company viz., www.matrimony.com.

Submitted for your information and records.

Thanking you

Yours faithfully,

For Matrimony.com Limited



S.Vijayanand

Company Secretary & Compliance Officer

ACS: 18951

**No.94, TVH Beliciaa Towers, Tower II, 5th Floor, MRC Nagar, Raja Annamalaipuram
Chennai – 600028**

matrimony.com ltd.

(CIN: L63090TN2001PLC047432)

Corporate & Registered Office : No. 94 TVH Beliciaa Towers, Tower 2, 5th Floor, MRC Nagar, Raja Annamalai Puram, Chennai, Tamil Nadu – 600 028.
Phone: 044 - 4900 1919, 044 - 3095 3095

matrimony.com

ANNUAL REPORT 2020-21

Purpose Led Growth



WeddingBazaar

mandap.com

Corporate Information

Board of Directors

Mr. Murugavel Janakiraman
Chairman & Managing Director

Ms. Deepa Murugavel
Non Executive Woman Director

Mr. Chinni Krishnan Ranganathan
Non Executive & Independent Director

Mr. Milind Shripad Sarwate
Non Executive & Independent Director

Mr. George Zacharias
Non Executive & Independent Director

Ms. Akila Krishnakumar
Non Executive Woman Independent Director

Mr. S.M.Sundaram
Non Executive Additional & Independent Director

Chief Financial Officer

Mr. Sushanth S Pai

Company Secretary & Compliance Officer

Mr. Vijayanand Sankar

Committees of the Board

Audit Committee

Mr S.M Sundaram

Chairman

Mr. George Zacharias

Member

Mr. Milind Shripad Sarwate

Member

Stakeholders Relationship Committee

Ms. Deepa Murugavel

Chairman

Mr. Murugavel Janakiraman

Member

Mr S.M Sundaram

Member

Nomination and Remuneration Committee

Mr. Milind Shripad Sarwate

Chairman

Mr. George Zacharias

Member

Mrs. Akila Krishnakumar

Member

Share Allotment Committee

Mr. Murugavel Janakiraman

Chairman

Mr. Milind Shripad Sarwate

Member

Mr. George Zacharias

Member

Corporate Social Responsibility Committee

Mr. Murugavel Janakiraman
Chairman

Mr. Milind Shripad Sarwate
Member

Ms. Deepa Murugavel
Member

Risk & Governance Committee

Mr. George Zacharias

Chairman

Mr. Milind Shripad Sarwate
Member

Mrs. Akila Krishnakumar
Member

Mr. S.M Sundaram
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 – 600 113

Internal Auditors

M/s. R.G.N Price & Co.

Chartered Accountants

Simpsons Buildings, 861, Anna Salai, Chennai - 600 002

Secretarial Auditor

V. Suresh

No. 28, 1st Floor, Ganapathy Colony 3rd Street,
Teynampet, Chennai - 600 018

Bankers

HDFC Bank Ltd

ICICI Bank Ltd

Kotak Mahindra Bank Ltd

State Bank of India

Registered Office

94, TVH Beliciaa Towers 5th Floor, Tower - II MRC Nagar,
Raja Annamalaipuram, Chennai - 600 028

Registrar and Share Transfer Agents

KFin Technologies Private Limited

Selenium, Tower B, Plot 31 & 32 Financial District,
Gachibowli, Hyderabad – 500 032

Website: www.kfintech.com,

Email: support@kfintech.com, einward.ris@kfintech.com

Table of Contents

Corporate Overview*

| | |
|--|----|
| Purpose Led Growth..... | 2 |
| About Matrimony.com | 5 |
| Chairman's Message | 6 |
| Board of Directors..... | 7 |
| FY20-21 at a Glance | 8 |
| Key Financial Metrics (Consolidated) | 9 |
| FY20-21: The Year of Challenges and Triumphs | 10 |

Statutory Reports*

| | |
|--|----|
| Notice of the Twentieth Annual General Meeting | 13 |
| Board's Report | 28 |
| Corporate Governance Report | 50 |
| Management Discussion and Analysis Report | 71 |
| Business Responsibility Report..... | 78 |

Financial Statements*

| | |
|---|-----|
| Standalone Financial Statements..... | 89 |
| Consolidated Financial Statements | 157 |

* Click on section names above, to access the respective section

Purpose Led Growth

Matrimony.com, is the market leader in the Indian online matchmaking space. With a humble beginning, the company has transformed itself into a trusted brand keeping the purpose at its core. The purpose is to help its customers to find their life partners. In doing so, its growth is pivoted around its purpose, aided by constant innovation. The flagship brand BharatMatrimony has become a preferred choice over the last 21 years. It has evolved many strategies towards "Purpose led Growth".

Micro Market Strategy

Being a pioneer in evolving a micro-market strategy, the company offers a range of targeted products and services that are tailored to meet the requirements of customers based on their linguistic, religious, and community preferences for which it has 17 regional portals and 300+community websites. Matrimony.com also caters to the NRI community through its operations in USA and Dubai where it has a strong active user base.

Safety our priority

Matrimony.com does not see matchmaking as just a mere transaction, it revolves around building trust and hence is very sensitive to the safety of each of its members. Features like, 'Who can see me', Secure Connect, 6-point trust badges, prime membership have been introduced for the safety of each member.

Technology not just an enabler

Technology has been at the forefront for achieving the company's purpose from the get-go. The company uses data-driven solutions and emerging technologies to enable evidence-based decision making across areas including customer acquisition, engagement, experience, and retention.



Arjith and Shruthi
Ours is a Love Marriage
through KeralaMatrimony: Arjith



Marketing to create an impact

The company has been promoting its services over the years through a mix of television, print and digital platforms. Known for its gender sensitive and progressive advertising, the company's latest advertisement stars the iconic cricketer MS Dhoni, who is also its brand ambassador.

Retail Presence for Customer Experience

Matrimony.com has established a considerable retail presence with 130+ self-owned retail outlets across India to enable and enhance the customer experience where customers can walk in and discuss the process of matchmaking.

Pioneering Wedding services

The company forward integrated into providing marriage services by aspiring to become a one-stop-shop for our customers, in an asset light vendor platform for venue bookings, photography, catering, decorations, etc. It feels that this would complement the online matchmaking business and could attract the users on marriage services portal, with two independent marriage services portals: Mandap.com and WeddingBazaar.com.

#1

Online matchmaking
company in India

21

Years of
Leadership

5 Mn+

Active user base

840K

Paid users;
Up 18.9% YOY

3500+

Team Strength

130+

Retail stores
strong offline presence

~60%

Highest market share
pan India

ZERO

debt company

60%

Matchmaking EBITDA Margin
(Excluding Marketing)

INR 408 Mn

PAT in FY21;
(Up 38% YOY)

15.49%

Return on Equity
in FY21

16.74%

Return on Capital
Employed in FY21

INR 2,849 Mn

Cash on Books

INR 603 Mn

Free Cash flow in FY21

About Matrimony.com



In the late 90s, Mr. Murugavel Janakiraman, started a website for the Tamil community in the US, which included features like the Tamil daily calendar, festival reminders, and matrimonial services, amongst others. The matrimony section gained immense traction and this idea set the path for what Matrimony.com is today.

The company pioneered the online matchmaking space through its flagship brand BharatMatrimony.com. After which, it gradually developed other matchmaking services like EliteMatrimony in 2008 which was the first premium matchmaking service, and CommunityMatrimony in 2009, and over the years has launched more than 300 portals for these communities. Through this micro-market strategy, the company offers a range of targeted and customized products and services that are tailored to meet the requirements of customers based on their linguistic, religious, and community preferences. The company also launched AssistedMatrimony in 2010 as a new value-added matchmaking service crafted for the individuals who have busy schedules and require assistance in finding the right partner. The company also offers offline matchmaking services with presence at more than 130 locations across several cities in the country for better customer reach and user accessibility.

In 2015, the company ventured into marriage services with Mandap.com which offers one of the largest wedding venues booking platform with over 10,000 wedding venues and Wedding Bazaar, which is India's largest wedding planning marketplace offering over 10,000 wedding services providers.

Today, Matrimony.com is the market leader in the Indian online matchmaking space with over 100,000 successful matches in FY21. With a constant endeavor in innovation and technology upgradation to provide seamless user experience, Matrimony.com has been able to create a quality database of profiles.



Subhankar and Somushree
BengaliMatrimony helps groom
from Indore find bride in Kolkata

Chairman's Message

Dear Shareholders,

As I write this note, the world continues to be besieged by the virus creating loss of human life and suffering. But true to the indomitable human spirit and advancements in science and technology, the vaccine availability has been a silver lining in the fight against the virus. Businesses have found a way to adapt in the changed world and continue to stay relevant to all stakeholders and creating a win-win situation. The corporate world is socially conscious and doing whatever it can through appropriate forums to bring about confidence and supporting the community in this uncertain situation.

We, at Matrimony too have institutionalized several measures to prioritize employee safety and focus on stakeholder expectations. In FY2021, we donated Rs 50 lakhs to PM-CARES fund and Rs 50 Lakhs to the Tamil Nadu Chief Minister's Relief Fund and we have continued such initiatives in FY22, considering the second wave that has gripped India.

Crisis is also an opportunity if we leverage it through the right approach and thinking. We did this and we have emerged stronger. We adopted an offensive and defensive strategy. Offensive is "Invest where it matters" and Defensive is "Save where possible". Some of the key initiatives that made a difference were new regional domains to improve presence and market share, video chats, "Who can see me" feature to enhance safety, security, and privacy, launch of innovative packages.

To stress this importance, we continued our collaboration with our brand ambassador and iconic sportsman MS Dhoni and launched the #AsCaringAsFamily campaign. We upgraded our technology infrastructure to enable faster launches and provide personalized experiences to our customers. As part of our strategy, we continue to innovate on customer segmentation through many experiments to provide the right package and leverage on AI for faster conversion.

We have become lean and efficient as an organization resulting in revenue productivity per person improving substantially. This was possible through having the right metrics and monitoring systems in place. We are driving a performance-oriented culture across the organization. Towards this initiative, we have partnered with PeopleStrong to revamp the HR engine and provide a seamless experience for our people which will bring in immense benefits.

On the matchmaking business performance, we were impacted in Q1 due to the onslaught of the pandemic. However, with all the above measures we bounced back strongly in the last 3 quarters posting 3 consecutive quarters of double-digit Y/Y growth. For the full year, our matchmaking billings grew by 7.4% to Rs 383 Cr adding 8.4 lakhs of paid subscriptions, which is a good growth of about 19% and creating about 100,000 success stories. We also witnessed good traction in the competitive North and West markets through our differentiated strategy. This revenue growth combined with operational efficiency helped to improve our Profit After Tax (PAT) by 38% in FY21. This was also despite marketing expenses increasing to Rs 137 cr in FY21 from Rs 103 cr in FY20.

With regards to the marriage services segment, the business impact was significant due to the crisis. However, we undertook many measures for our brand to be visible with the introduction of subscription models and doing away with lead / transaction model, collaborating with CRISIL for creating trust, fresh platform interface, partner apps etc. We hope to see momentum when the situation improves and add to our growth story, as this market has a huge potential. However, we have been prudent, and we have contained our losses to about Rs 10 cr as compared to Rs 17 cr in FY20.

When I look back, the word that comes to my mind is "Gratitude". Gratitude is a powerful tool to practice in every area of life which can tremendously improve well-being. We are in a business that is purpose driven as we help our people in one of the most important decisions in the circle of life - "Marriage". We continue to strive to make this journey enriching for our customers and realize their dreams.

I thank our people and our leadership team who have steered the company with resilience and executed very well in these testing times. I thank our shareholders, customers and partners for their continued trust and support throughout our journey. I thank our distinguished Board for their consistent guidance and pushing us to do better.

I hope and pray that all of us emerge stronger and come back to normal times soon and we can consistently achieve "Purpose Led Growth".

With Best Wishes,

Murugavel Janakiraman,
Chairman and Managing Director

Board of Directors



Murugavel Janakiraman - Chairman and Managing Director

Graduated in statistics from Presidency college, MCA from University of Madras. Worked as a software engineer and consultant in USA before starting Tamil Matrimony. Received an award of top 5 Asian Indian businessmen in USA by Asian Indian Chamber of Commerce, Business Icon of the year award by India Today, Nominated twice for the 'Entrepreneur of the year' award by Economic Times.

Deepa Murugavel - Non-Executive Woman Director

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. Associated with the company since 2006.



Akila Krishnakumar - Non-Executive Woman Independent Director

An alumnus of the Birla Institute of Technology and Sciences (BITS), Pilani. Has over 30 years of experience in software product development for financial services. Until 2013, Akila was President - Global Technology and Country Head for SunGard in India - a Fortune 500 company and global leader in financial services software. Has won several awards and accolades. She was among the top 5 women leaders in the Indian technology industry for many years.



Milind Shripad Sarwate - Non-Executive Independent Director

Holds a bachelor's degree in commerce from University of Bombay, and is a Chartered Accountant, Cost Accountant and Company Secretary. Over 32 years of experience in finance, HR, strategic planning, business development and product supply across various sectors. He is currently the Founder and CEO of Increate Value Advisors LLP, which is engaged in facilitating organisations and individuals to discover, develop and deliver business and social value. Awarded the ICAI Award in the CFO - FMCG category in 2011 and the Best Performing CFO Award - FMCG & Retail in 2012 by CNBC TV-18.



Chinni Krishnan Ranganathan - Non-Executive Independent Director

Holds a bachelor's degree in Chemistry. Founder of Cavinkare Private Limited, a company engaged in the business of personal care, food, beverages, dairy and snacks. Conferred the prestigious, Entrepreneur of the Year Award by Economic Times in 2004. Currently serves as an Non-Executive Director on other Boards such as TVS supply chain solutions amongst others.



George Zacharias - Non-Executive Independent Director

Holds a bachelor's degree of technology in chemical engineering and a post graduate diploma in business management from the Xavier Labour Relations Institute, Jamshedpur. Earlier associated with the Company as Nominee Director of Yahoo! Netherlands B.V. He was earlier associated with Mindtree Ltd as Sr. Vice President.



S M Sundaram - Non Executive & Additional Independent Director

Mr. S. M. Sundaram is a Chartered Accountant, a Cost Accountant, a Company Secretary, a Chartered Financial Analyst and a MBA from IIM Ahmedabad, with several all-India ranks. He has about 33 years of professional experience, most of them in senior roles in Finance and Investment Management. He is currently a Partner & CFO at Creaegis, an asset management platform for private equity investments for global endowments and institutional investors.



FY20-21 at a Glance



Our revenue growth combined with operational efficiency helped to improve profitability by 38% in FY21, even during a challenging environment.

Continued focus on multiple initiatives across products, campaigns and customer experience to enhance market positioning and growth momentum.



Sustained YoY double digit growth in matchmaking billings for the last 3 quarters.

We achieved our milestone of INR 1,000 Mn quarterly billings on a consolidated basis in Q3FY21.



8.4 lakhs paid subscriptions added during the year, growth of 18.9% YoY.

Excluding marketing expenses, matchmaking margins at 60% in FY21 as compared to 52% in FY20.

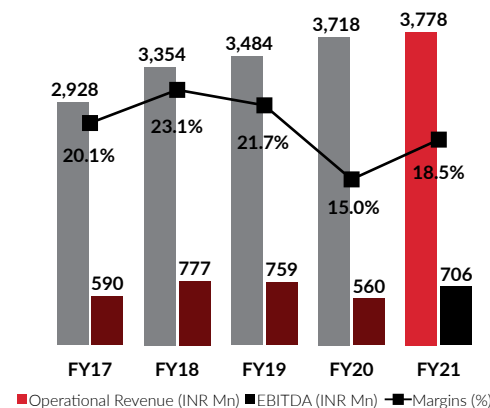


Free cash generation for the year was robust at around INR 603 Mn and our cash balance is at INR 2,849 Mn as on 31st March 2021.

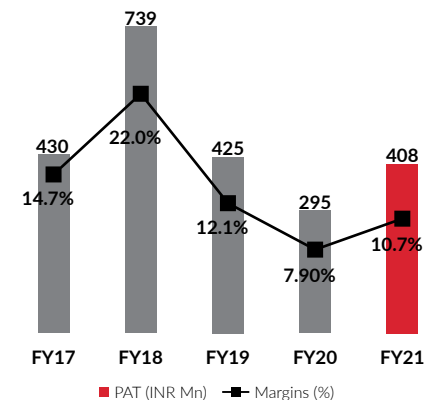
Marriage services: Through operational efficiency, we have brought down the losses in FY21 to INR 96 Mn as compared to loss of INR 170 Mn FY20.



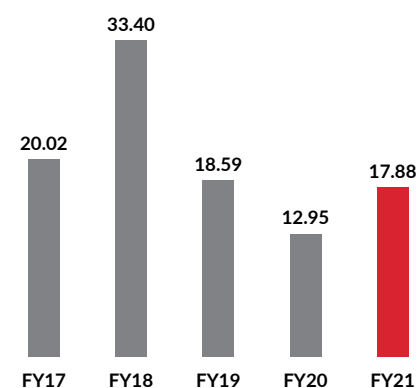
Consolidated Performance (INR Mn)



PAT (INR Mn) and PAT Margins (%)

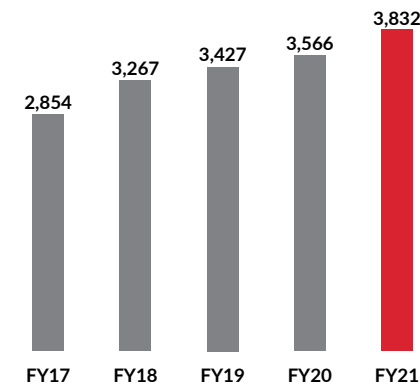


Diluted EPS (INR)

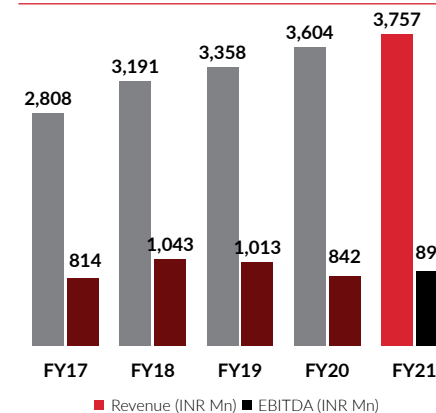


Key Financial Metrics (Consolidated)

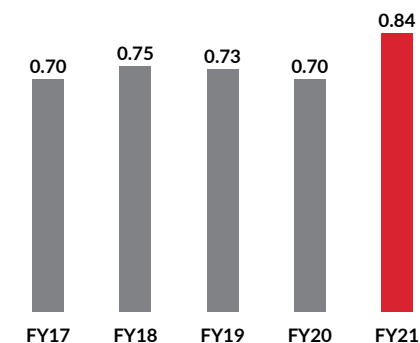
Matchmaking Billings (INR Mn)



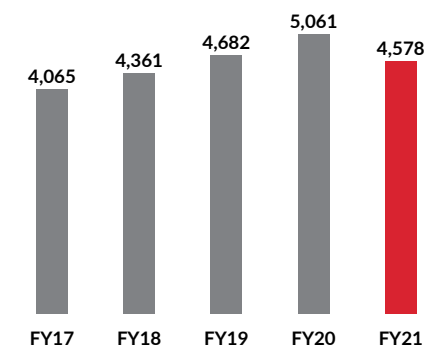
Matchmaking Performance



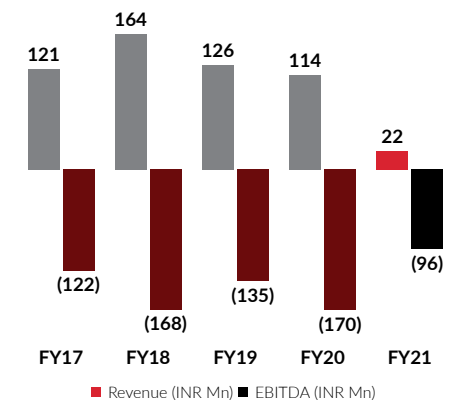
Paid Subscription (in Mn)



ATV (INR)



Marriage Services Performance (INR Mn)



NOTE: Every number FY19 onwards is as per IndAS

Deepak and Shresthashree
OriyaMatrimony brings together
a Doctor and a Scientist



FY20-21: The Year of Challenges and Triumphs

Business Continuity during Covid-19



The Covid-19 pandemic outbreak had a destabilizing impact on businesses across the world. And although the year brought about many challenges, there was also light at the end of the tunnel and through resilience showcased by the company and its workforce, with which we can also look back and appreciate some of the Triumphs. As a responsible company, we worked to mitigate the effects of the crisis with quick initiatives not only for the company but for all our stakeholders. With the 'new normal' of spending more time indoors and working from home, we anticipated the needs of all our stakeholders and worked towards their betterment, while also ensuring business growth.

As a dotcom company trying to revolutionize matchmaking, embracing technology is a given. The Nationwide lockdown in March 2020 forced our product and technology teams to work from their homes, but even then, the teams were able to focus on improving customer experience, launching new products, and making strategic infrastructure changes. Various initiatives on technological advancements and new product launches were undertaken during the year to drive business growth by increasing paid customer base.

Leading Technology Upgrades

From modernisation of the data centre, to automation powered by Artificial Intelligence (AI), to Machine Learning (ML), and to the deployment of the Big Data platform, Technology is not just an enabler, it is one of the main growth drivers. In this year too, Tech infrastructure and underlying technologies were upgraded to make them more efficient. This would enable the teams to launch new features faster, give highly personalized experiences to our customers and help them to find their right match faster.

Product Innovation



This year, we also launched various new services like RajasthaniMatrimony.com, BihariMatrimony.com and BhojpuriMatrimony.com as exclusive matrimony services for the respective communities and also specialized platforms like DoctorsMatrimony.com, and IIMITMatrimony.com. We also introduced the video calling feature to enable our customers to meet remotely and not let the lockdown restrict their ability to find their match. Prime product was launched to offer our customers ID verified profiles. Prime profiles enable our customers to move ahead in the decision-making process with a high degree of confidence and significantly improve their chances of finding their match. Prime product saw a great uptake from our customers and they found the product to be of high value. The Assisted mobile app was launched to provide great service to our Assisted Service customers. This app helped to provide transparency to our customers into the Assisted Service process and raised the overall benchmark for service.

Marketing Ingenuity



To ensure the interest of women users, we launched "Who can see me" TV commercial with MS Dhoni to promote how women can control who can see and contact them. This was part of the #AsCaringAsFamily campaign. It focuses on empowering women to take control of their privacy and safety while searching for a life partner. The industry-leading safety feature gives members complete control of who can see their profile and contact them. Iconic sportsman MS Dhoni, while talking about why he endorsed the brand and the concept of safety and control for women said, "Over the last 21 years, BharatMatrimony has pioneered many safety features for women. Its latest "Who Can See Me™" feature gives women the control to choose who can see their profile and contact them, and therefore helps them safely navigate the search for a life partner. I'm happy to be part of this "Who Can See Me" TV commercial."

Refreshing Wedding Services

WeddingBazaar mandap.com

The wedding services segment had significant impact due to the pandemic and saw muted growth. To ensure our Wedding Services brand stays viable and fresh, we transformed our Wedding Services segment during the financial year 2021. We rebranded our platforms to make them more accessible as well as appealing, MatrimonyMandaps is now simply Mandap.com, and Matrimony Bazaar also underwent a change and is now WeddingBazaar. The new name reinforces the idea that the platform is indeed a one-stop shop for all wedding requirements.

Seeking to help thousands of couples whose weddings have been delayed by the lockdown, BharatMatrimony launched a platform "Home Weddings", on MatrimonyBazaar, to provide the entire range of Covid-Safe wedding services at the doorstep. A new video walk-through feature has been introduced. This has been especially helpful in allowing customers to view the venues etc amidst lockdown restrictions and would enhance productivity and conversion rate for venue partners.

During the year both the segments have grown their presence in North and West India, a step towards the aim of expanding to the entire nation. To make wedding services a future proof business for both users and vendors, we believe the 'Subscription Model' is the way forward. Hence this year we changed the monetization model for vendors from lead/transaction based to subscription based. Various packages, offers and benefits were introduced for the vendors, while also introducing new algorithms designed to enhance value delivery to both our vendor and users. We also had a first-of-its-kind collaboration with Crisil, India's leading rating agency to verify service providers registered on WeddingBazaar, a step towards creating a trusted platform. We launched exclusive apps for our vendor partners. These apps offer hassle-free enquiry management services. A group of vibrant management

trainees were onboarded in four batches to steer business development and complement the existing team in wedding services.

The leadership team is now strengthened with these key resources as well as from few lateral hires from premium institutes.



Giving back to the community

In the fight against the Covid-19 pandemic, we played our part towards making a tangible difference to those in need. In FY2021, we donated Rs 50 lakhs to PM-CARES fund and Rs 50 Lakhs to the Tamil Nadu Chief Minister's Relief Fund and we have continued such initiatives in FY22, considering the second wave that gripped India.

In line with our philosophy of empowering women to create an identity for themselves and working towards their self-fulfillment, we announced an initiative to promote employment-enhancing vocation skills for women. About 160 women would benefit from the Online Skill Training Program which is being executed in association with the global NGO "Hand in Hand India". Our partnership with "Hand in Hand India" complements our employee demography, where more than 50% of our 3000+ colleagues are women. We also launched a unique Matrimony Training Academy (MTA). It is the first of its kind in the Indian internet market. Through this initiative, we aim to educate and enhance the job skills and opportunities of graduate students across the country. Once qualified, suitable candidates are offered to become part of our Matrimony family to add value to our system.

Anusha and Mahesh

Thanks to KannadaMatrimony for helping me find my life partner: Anusha



Our People our biggest assets

Work from home became the new normal with the Covid-19 pandemic and our Human Resources department had to shift gears and change many processes right from hiring to onboarding to training. Virtual was the way forward and HR took quick, proactive steps to ensure the betterment of employees. Some of the many initiatives undertaken included free online doctor consultation through our tie-up with 1mg, special Covid related leaves, reimbursement of Covid testing charges as well as vaccination expenses, and an exclusive 8 to 8 Helpdesk number to respond to queries. Matrimony.com increased its footprints and launched operations in 3 more locations-Pune, Mysore, and Noida.



Notable Recognition

Mr. Murugavel Janakiraman was featured in the Top Technology Leaders 2020 List by Exchange4Media's Impact Magazine.

He was also featured on the Cover page of Stimulus Magazine where he talks about, the journey of our company delivering 20 years of happy marriages.



Notice of Annual General Meeting

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the Members of Matrimony.com Limited will be held on Thursday, the 12th August, 2021 at 10.00 A.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Standalone Financial Statements

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

RESOLVED that the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021, the Reports of the Board of Directors and the Auditors thereon, be and are hereby received and adopted.

2. Adoption of Audited Consolidated Financial Statements

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

RESOLVED that the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 and the Report of the Auditors thereon, be and are hereby received and adopted.

3. Declaration of Dividend

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

RESOLVED that out of the profits for the financial year ended 31st March, 2021, a Dividend at the rate of Rs. 3.50 (Rupees Three and Paise Fifty only) per share, as recommended by the Board of Directors, be and the same is hereby declared for the financial year 2020-21 and that the said dividend be paid to the Members whose names appear on the Register of Members as on August 4, 2021 or their mandates.

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

4. Re-appointment of Director

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

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

SPECIAL BUSINESS

5. Appointment of Shri. S.M Sundaram as Independent Director of the Company

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

RESOLVED THAT Shri. S.M Sundaram (DIN No. 02137377), who was appointed by the Board of Directors as an Additional Director of the Company effective March 11, 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and who is eligible for appointment and has consented to act as a Director of the Company, be and is hereby appointed a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations) as amended from time to time and pursuant to the Articles of Association of the Company, Shri. S.M Sundaram (DIN No. 02137377), who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing March 11, 2021 through March 10, 2026."

6. Re-appointment of Shri. Murugavel J as Managing Director for a period from July 1, 2021 to March 31, 2024 and fixing his remuneration

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, read with Schedule V to the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations) 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 with effect from July 1, 2021 to March 31, 2024.

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 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof to the Act and Listing Regulations) (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, 2021 upto March 31, 2024

| | |
|---------------|--|
| a. Salary | Salary of Rs. 2 crores per annum in the grade of Rs. 2 crores to Rs. 3 crores 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. Allowances | Allowances such as Leave Travel Allowance, Personal Allowance, Special Allowance, Grade Allowance and/or any other allowance as may be determined by the Nomination & Remuneration Committee from time to time. |

- | | | |
|---|--------------------------|--|
| c. | 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. |
| d. | Perquisites | Perquisites such as furnished/unfurnished accommodation to be provided by the Company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits or amenities as per the Company's scheme(s) in force from time to time. |
| e. | Retirement benefits | Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Fund/Scheme in force from time to time. |
| Encashment of leave as per rules of the Company in force from time to time. | | |
| f. | General | <p>(i) In the event of absence or inadequacy of profits in any financial year, Shri. Murugavel J shall be entitled to such minimum remuneration as per Part II of Section II of Schedule V or may be determined by the Board, which shall not without special resolution, exceed the limits prescribed under the Companies Act, 2013 and the Rules made thereunder or any statutory modification or re-enactment thereof.</p> <p>(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.</p> <p>(iii) The aggregate remuneration (including salary, allowances, perquisites, incentive/ commission and retirement benefits) for any financial year shall be subject to an overall ceiling prescribed under the Companies Act, 2013.</p> <p>(iv) Shri. Murugavel J will not be entitled to any sitting fees for attending meetings of the Board or any Committee thereof.</p> <p>(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.</p> |

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/-

Place: Chennai
Date: May 11, 2021

S Vijayanand
Company Secretary

Annexure to the Notice

Details of the Director seeking appointment and re-appointment at the 20th Annual General Meeting

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

The resume of Shri. Murugavel J & Shri S.M Sundaram, 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:

Shri. Murugavel J (DIN NO: 00605009)

Murugavel Janakiraman, aged 50 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.

Shri Murugavel J holds 1,14,78,766* equity shares of the Company. He currently receives a remuneration of Rs. 1.8 Crore and a performance based incentive of upto 100%. The details of the proposed remuneration are available in the text of the resolution pertaining to ITEM No.6 of this notice.

There were 6 Board meetings conducted during the year and Shri. Murugavel has attended all 6 Board meetings.

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

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

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

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

Shri. S.M Sundaram (DIN No. 02137377)

Shri. S. M. Sundaram aged 55 years, is a Chartered Accountant, a Cost Accountant, a Company Secretary, a Chartered Financial Analyst and a MBA from IIM Ahmedabad, with several all-India ranks. He has about 33 years of professional experience, most of them in senior roles in Finance and Investment Management. He is currently a Partner & CFO at Creaegis, an asset management platform for private equity investments for global endowments and institutional investors. Till April 2018, he was Partner and Chief Financial Officer of Baring Private Equity Partners India, which manages assets of over \$1 billion across multiple fund entities. He was the CFO of CSS Corp, a San Jose-based IT Services company operating in multiple countries till 2007. Till 2000, he was also part of the senior management team at the Sanmar Group, a large business group headquartered in Chennai.

Shri. S M Sundaram does not hold any equity share in the Company. He was appointed as Audit Committee Chairman and was inducted as member in Risk & Governance Committee and Stakeholders relationship Committee with effect from 30th March 2021.

There were 6 Board meetings conducted during the year. Shri. S.M.Sundaram was appointed on March 11, 2021. Two Board meetings were held after his appointment and he has attended all two Board meetings.

Shri. S.M. Sundaram does not hold any Directorship in any other Indian Company/Listed entity.

He is not related to the any other Directors and Key Managerial Personnel of the Company, and their relatives.

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

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

Place: Chennai
Date: May 11, 2021

S Vijayanand
Company Secretary

Explanatory Statement in respect of the Special Business (pursuant to Section 102 of the Companies Act, 2013 & Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) of the Notice dated May 11, 2021

Item No. 5

The Board of Directors ("Board"), upon recommendation of the Nomination and Remuneration Committee, appointed Shri. S.M. Sundaram as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective March 11, 2021. Pursuant to the provisions of Section 161 of the Act, Shri. S.M Sundaram will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company.

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

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Shri. S.M.Sundaram as an Independent Director of the Company for a period commencing March 11, 2021 through March 10, 2026. Shri. S.M.Sundaram, once appointed, will not be liable to retire by rotation. In the opinion of the Board, Shri. S.M.Sundaram is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Shri. S.M.Sundaram as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Shri. S.M.Sundaram are provided in page no. 16 & 17 to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Shri. S.M.Sundaram, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

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

Item No.6

Shri. Murugavel J was appointed as Director & Chief Executive Officer on September 5, 2001. The company was converted into Public limited company with effect from January 2, 2015. He was appointed as Managing Director for a period of 3 years each from July 1, 2015 and from July 1, 2018. The approval of the shareholders is sought for re-appointment of Shri. Murugavel J as Managing Director of the Company for a period from July 1, 2021 to March 31, 2024. At its meeting held on May 11, 2021, the Board of Directors had reappointed him as Managing Director of the Company, subject to the approval of the shareholders, for a period with effect from July 1, 2021 to March 31, 2024.

Information about the appointee: The details are available in Page No. 16.

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.

NOTES:

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 02/2021 dated January 13, 2021 read with circulars nos Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and SEBI vide Circular Nos .SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 relaxed certain provisions relating to conducting of General meetings and permitted the Companies to hold their AGM through VC/OVAM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. The Company has fixed Wednesday, August 4, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.
4. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made within 30 days from the date of AGM as per the details below:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Wednesday, August 4, 2021.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Wednesday, August 4, 2021.
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Kfin Technologies Pvt Ltd for assistance in this regard.
6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar & Transferor agents in case the shares are held by them in physical form.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Registrar & Transferor agents in case the shares are held by them in physical form.
8. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

9. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Registrar & Transferor Agents (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

10. For Resident shareholders, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 as below: -

Shareholder having valid PAN: - 10% or as notified by the Government of India.

Shareholder not having valid PAN: - 20% or as notified by the Government of India.

Insurance Company as specified under Section 194 of the Income Tax Act, 1961:- Nil

Mutual Fund specified under clause (23D) of Section 10 of the Act: Nil

Alternative Investment Fund (AIF) established in India: Nil

However, no tax shall be deducted on the dividend payable to a resident individual shareholder, if the total dividend to be received by them during the financial year 2020-21 does not exceed ₹ 5,000/- and also in case where resident individual shareholder having valid PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H along with PAN copy, to avail the benefit of non-deduction of tax at source, by sending an E-mail to tax@matrimony.com on or before 05:00 PM (IST) on August 3, 2021.

In case of Non-resident, shareholders taxes are required to be withheld in accordance with the provisions of Income Tax Act, 1961, at the rate in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable for the following categories

- a) Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)
- b) Other Non-Resident shareholders

Non-resident shareholders other than the FIIs/FPIs can avail beneficial rates, if applicable under any applicable laws, under tax treaty between India and their country of residence, subject to providing necessary documents i.e. (a) No Permanent Establishment and Beneficial Ownership Declaration; (b) Tax Residency Certificate; (c) Form 10F along with copy of PAN duly attested by the shareholder or any other document which may be required to avail the tax treaty benefits. The aforesaid declarations and documents needs to be submitted by sending an E-mail to tax@matrimony.com on or before 05:00 PM (IST) on August 3, 2021.

11. At the Eighteenth AGM held on August 7, 2019 the Members approved appointment of S.R. Batliboi Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company to hold office for a period of three years from the conclusion of that AGM till the conclusion of the Twenty-first AGM.
12. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the 20th Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".
13. **e-AGM:** Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
14. Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.

- c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
15. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s KFin Technologies Private Limited,
17. **Voting at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system provided at the venue by M/s KFin Technologies Private Limited.
18. The Notice calling the EGM/AGM has been uploaded on the website of the Company at www.matrimony.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively is also available on the website of e-voting agency M/s KFin Technologies Private Limited at the website address <https://evoting.kfintech.com/>
19. Members desiring any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before August 3, 2021 through an E-mail to compliance@matrimony.com, specifying his/her name along with Demat account details. The same shall be replied by the Company suitably.
20. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013 and all other documents mentioned in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an E-mail to compliance@matrimony.com.

Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

21. On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:
22. Those shareholders who have registered/not registered their mail address and mobile no.s including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited in case the shares held in physical form.
23. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

24. Shareholders may also requested to visit the website of the company www.matrimony.com or the website of the Registrar and Transfer Agent www.kfintech.com for downloading the Annual Report and Notice of the e-AGM.
25. Alternatively member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

Instructions for the Members for attending the e-AGM through Video Conference:

26. Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://evoting.kfintech.com/> under shareholders/ members login by using the remote evoting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
27. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
28. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
29. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
30. Since the AGM will be held through VC/OAVM, the route map is not annexed in this Notice.

INSTRUCTIONS FOR ELECTRONIC VOTING [e-voting]

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences 10.00 A.M. (IST) on Monday, August 09, 2021 to 5.00 P.M. (IST) on Wednesday, August 11, 2021

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”
- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:
 - Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
 - Step 2:** Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
 - Step 3:** Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p>1. User already registered for IDeAS facility:</p> <ul style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ul style="list-style-type: none"> I. To register click on link : https://eservices.nsdl.com II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ul style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFinTech. V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period. |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | <p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1 <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. Kfintech where the e- Voting is in progress. |
| Individual Shareholder login through their demat accounts / Website of Depository Participant | <ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of Kfintech for casting your vote during the remote e-Voting period without any further authentication. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---------------------------|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" and click on "Submit"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id vsureshpcs@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members are requested to refer Serial no 23, 24 and 25 for the process to be followed.
- ii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at compliance@matrimony.com. Questions /queries received by the Company till 5 PM on August 11, 2021 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from Wednesday, August 11, 2021 at 9.00 AM (IST) and closes on Wednesday, August 11, 2021 at 5.00 PM (IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from Wednesday, August 11, 2021 at 9.00 AM (IST) and closes on Wednesday, August 11, 2021 at 5.00 PM (IST).
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, August 4, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

Board's Report

Dear Shareholders,

The Board of Directors of your Company take pleasure in presenting the Twentieth 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, 2021.

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 21 | FY 20 | FY 21 | FY 20 |
| 1. Net Revenue | 37,787.90 | 37,183.53 | 37,277.81 | 36,711.69 |
| 2. Other Income | 304.84 | 152.98 | 580.07 | 337.95 |
| 3. Total income (1+2) | 38,092.74 | 37,336.51 | 37,857.88 | 37,049.64 |
| Expenditure: | | | | |
| a) Employee Benefit Expenses | 12,725.87 | 15,346.38 | 12,578.28 | 15,213.51 |
| b) Marketing Expenses | 13,728.32 | 10,343.41 | 13,747.88 | 10,362.59 |
| c) Infra /Communication/ Admin Expenses | 4,580.45 | 6,044.43 | 4,518.09 | 5,967.23 |
| 4. Total expenditure | 31,034.64 | 31,734.22 | 30,844.25 | 31,543.33 |
| 5. EBITDA (3-4) | 7,058.10 | 5,602.29 | 7,013.63 | 5,506.31 |
| 6. Depreciation/Amortization | 2,593.08 | 2,796.36 | 2,589.75 | 2,792.47 |
| 7. Finance Cost | 482.52 | 524.95 | 481.18 | 523.55 |
| 8. Finance Income | 1,440.62 | 1,632.95 | 1,440.57 | 1,634.05 |
| 9. Profit before tax and share of profit / (loss) from associate (5-6-7+8) | 5,423.12 | 3,913.93 | 5,383.27 | 3,824.34 |
| 10. Share of loss from associate | (57.19) | (6.28) | - | - |
| 11. Net Profit before tax (9-10) | 5,365.93 | 3,907.65 | 5,383.27 | 3,824.34 |
| 12. Tax Expense | 1,288.54 | 954.17 | 1,287.14 | 956.58 |
| 13. Net Profit after tax (11-12) | 4,077.39 | 2,953.48 | 4,096.13 | 2,867.76 |
| 14. Other Comprehensive Income -Net of Tax | (7.23) | (86.89) | (0.70) | (104.18) |
| 15. Total Comprehensive Income (13+14) | 4,070.16 | 2,866.59 | 4,095.43 | 2,763.58 |
| 16. Retained Earnings (Opening Balance) | 8,875.22 | 6,393.37 | 8,669.24 | 6,272.98 |
| 17. Transfer to General Reserve | 3,303.18 | 2,481.85 | 3,321.36 | 2,396.26 |
| 18. Retained earnings (Closing Balance) | 12,178.40 | 8,875.22 | 11,990.60 | 8,669.24 |
| 19. EPS Basic | 17.90 | 12.99 | 17.98 | 12.61 |
| 20. EPS Diluted | 17.88 | 12.95 | 17.96 | 12.57 |

BUSINESS REVIEW

Your Company achieved consolidated revenue of Rs. 37,787.90 Lakhs during the year under review as against Rs. 37,183.53 Lakhs during the previous financial year, a growth of 1.63% year on year. The operating expenses stood at Rs. 31,034.64 Lakhs during the year as against Rs. 31,734.22 Lakhs of the previous year, representing a decrease of 2.20%. The Earnings before Interest, Tax and Depreciation (EBITDA) for the year was at Rs. 7,058.10 Lakhs as against Rs. 5,602.29 Lakhs for the previous year, an increase of 25.99%. The Profit before tax for the year was at Rs. 5,365.93 Lakhs as against Rs. 3,907.65 Lakhs of the previous year, representing an increase of 37.32%. The Company's consolidated Net Profit (PAT) for the year was at Rs. 4,077.39 Lakhs as against Rs. 2,953.48 Lakhs of the previous year, an increase of 38.05%.

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

Matchmaking

The Company has added 8.37 lakhs paid subscriptions an increase of 18.86% over previous year. The revenue on a consolidated basis, for the current year was at Rs. 37,572.25 Lakhs as against Rs. 36,044.35 Lakhs for the previous year, resulting in a growth of 4.24%. The matchmaking EBITDA for the year increased by 6.55% to reach Rs. 8,972.84 Lakhs as against Rs. 8,421.52 Lakhs of the previous year.

Marriage Services

The Marriage Services revenue for the year was at Rs. 215.65 Lakhs as against Rs. 1,139.18 Lakhs of the previous year, resulting in a decline of 81.07%. The steep decline was due to lock down on account of corona pandemic. The loss for the year was at Rs. 963.23 Lakhs as compared to loss of Rs. 1,699.37 Lakhs of the previous year.

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

As on March 31, 2021, on a consolidated basis, we had liquid assets (includes cash and cash equivalents and investments) of Rs. 28,490.82 Lakhs as against Rs. 23,503.03 Lakhs at the previous year end. Your Company is also debt free as on 31st March 2021. The details of these investments are disclosed under the 'Financial Assets' section in the consolidated financial statements in this Annual Report.

FUTURE OUTLOOK

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

The company started seeing an impact on billing in the last 2 weeks of March 2020 in the matchmaking business. This affected the business in Q1 of FY21, where we declined 7.50% y/y and 14.32% q/q. However due to our strong BCP measures that complimented the work from home initiatives and our renewed strategies towards customer focus, we were able to bounce back from Q2 with a consistent y/y double digit growth. We saw big uptick in paid profiles and our most competitive markets also demonstrated a robust growth. This was also supplemented by many measures towards operational efficiency that also resulted in a significant growth in profitability in FY21. The marriage services business had a higher impact due to lower consumer demand and the muted scale of weddings that took place in India due to lockdowns. We utilized this time to build the eco system and enhanced operational efficiency and reduce the losses considerably. For more details kindly refer to Management Discussion and Analysis report which is presented as separate section and forming part of this report.

DIVIDEND

Your Company has been consistent in generating operating cash flow over the years. The dividend policy indicates that the Company endeavors to maintain a dividend pay-out ratio of 10%-15% of standalone profits after tax, excluding exceptional transactions. The payout ratio may be altered if cash is to be retained under certain circumstances. The Board has recommended a final dividend of Rs. 3.50 per equity share, in its meeting held on May 11, 2021 subject to approval by the shareholders at the ensuing annual general Meeting. The total dividend pay-out for the current year is Rs. 800.50 Lakhs signifying a pay-out ratio of 19.63%.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there are no dividend which has remained unclaimed and unpaid for a period of seven years from the date it became due for payment.

SIGNIFICANT EVENTS

There are no significant events during the year

SHARES**BUY BACK OF SECURITIES**

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

SWEAT EQUITY

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

BONUS SHARES

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

EMPLOYEES STOCK OPTION SCHEME

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

i) Options movement during the year

| Sl. No. | Particulars | ESOS 2014 |
|---------|---|---|
| 1. | Number of options outstanding at the beginning of the year | 2,08,561 |
| 2. | Number of options granted during the year | 80,500 |
| 3. | Number of options forfeited / lapsed during the year | 37,100 |
| 4. | Number of options vested during the year | 26,340 |
| 5. | Number of options exercised during the year | 1,05,383 |
| 6. | Number of shares arising as a result of exercise of options | 1,05,383 |
| 7. | Exercise price of options granted during the year | 1. Rs. 336.40 2. Rs. 655.85 3. Rs. 844.45 |
| 8. | Variation of terms of options | NIL |
| 9. | Money realized by exercise of options (INR), if scheme is implemented directly by the company | 1,60,58,273.25 |
| 10. | Number of options outstanding at the end of the year | 1,46,578 |

ii) Employee wise details of options granted to

| | |
|---|--|
| Key Managerial Personnel | Mr. Sushanth S. Pai – 5,000 Options |
| Employees who received a grant in the year amounting to 5% or more of options granted during the year | Mr. Rajesh Balaji – 12,000 options Mr. Vaitheeswaran S – 5,000 options Mr. Sushanth S Pai – 5,000 Options Mr. Vinodha Priyan – 4,200 options Mr. Deviprasad T – 8,000 options Mr. Robert Irudhayaraj – 4,800 options Mr. Arjun Bhatia – 10,500 options |

Identified employees who were granted option, during the year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the company at the time of grant Nil

The Employee Stock Option Scheme 2014 is in compliance with SEBI (Share based Employee Benefits) Regulations 2014. The details required under Regulation 14 of the SEBI (Share based Employee Benefits) Regulations 2014 are available on the Company's website at <https://www.matrimony.com/investors/annual-report/disclosure-under-sebi-regulations-2021.pdf>

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

BOARD OF DIRECTORS

During the year 2020-21, Mr S.M Sundaram was appointed as Additional Director and also as an Independent Director with effect from March 11, 2021 subject to the approval of the Shareholders in ensuing Annual General Meeting. In the opinion of the Board, the independent Directors appointed by the Company possess adequate experience, expertise with integrity and standing.

Mr. Murugavel J, Managing Director retires at this Annual General Meeting and being eligible offers himself for re-election.

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 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 along with Rules framed thereunder and SEBI (LODR) Regulations, 2015.

As per the provisions of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, every individual who has been appointed as an independent director in a company, on the date of commencement of the above rules shall within a period of thirteen months from the date of commencement apply to Indian Institute of Corporate Affairs for inclusion of his name in the data bank for such period till he continues as Independent Director of any Company.

As per the above provisions, every independent director shall submit a declaration of compliance of sub-rule (1) and sub-rule (2) to the Board, each time he submits the declaration required under sub-section (7) of section 149 of the Act. The Company has obtained a declaration to that effect from the Independent Directors

All the independent Directors are exempted from passing online proficiency self assessment test based on their experience and hence the requirement of passing online proficiency self-assessment test is not applicable for the Independent Directors of the Company.

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

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had 6 Board meetings during the financial year under review and a separate meeting of the Independent Directors on 30/03/2021.

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, 2015, of its own performance, the individual Directors including independent

Directors and its Committees based on the predetermined templates designed as a tool to facilitate evaluation process, on parameters such as level of engagement, contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

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

| Investment | | |
|---|--------------|-----------------|
| Name of the Company | No of shares | Amount (in Rs.) |
| Sys India Private Limited | 1,00,000 | 1,00,000 |
| Consim Info USA Inc., USA | 1,000 | 45,120 |
| Matrimony DMCC | 50 | 10,17,000 |
| Astro-Vision Futuretech Private Limited | 3,341 | 6,14,42,410 |

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. It has constantly evolved through the use of technology. From modernisation of the data centre, to automation powered by Artificial Intelligence (AI), to Machine Learning (ML), and to the deployment of the Big Data platform and the Analytical database, the Company has constantly been on the forefront when it comes to Technological advancements and transformations. 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)

| SI No | Particulars | 2020-21 | 2019-20 |
|-------|-----------------------|-----------------|-----------------|
| 1 | Income from services | 5,364.03 | 4,339.10 |
| 2 | Database access fees | 108.83 | 101.82 |
| 3 | Business License fees | 54.41 | 50.91 |
| | Total | 5,527.27 | 4,551.83 |

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

| SI No | Particulars | 2020-21 | 2019-20 |
|-------|------------------------|---------------|---------------|
| 1 | Advertisement Expenses | 197.33 | 265.30 |
| 2 | Web hosting charges | 23.80 | 58.35 |
| 3 | Other Expenses | 4.42 | 285.39 |
| | Total | 225.55 | 609.04 |

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 **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 the subsidiary Companies.

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 END 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 end of the financial year to which this financial statement relate on the date of this report.

FIXED DEPOSITS

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

DETAILS OF SUBSIDIARIES & ASSOCIATE COMPANY

Your Company has three wholly owned subsidiaries, viz. Sys India Private Limited, Consim Info USA Inc and Matrimony DMCC, Dubai. The Company has one Associate Company viz Astro Vision Futuretech Private Limited.

The details of financial performance of Subsidiaries/Associate Company are furnished in **ANNEXURE D** and attached to this report.

HUMAN RESOURCES MANAGEMENT

Your Company having a pan India presence employs around 3505 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 more than 50% of our associates are women, with an average age of our associates being 29 years.

The year of FY'20-21 was marked by a global pandemic which had a huge impact on the way we work. Work from home became the new normal and as a department HR had to shift gears and change many processes in the employee life cycle right from hiring to onboarding to training. Virtual was the way forward and HR took quick, proactive steps to ensure that we continue to manage all aspects relating to people practice in a smooth manner.

Some of the initiatives we implemented as part of people practices included:

Talent Acquisition: Be it hiring for frontline or any critical hiring, the entire interview and selection process happened online through zoom, while ensuring the required standard of quality of hire. We also effectively implemented virtual on-boarding to provide a seamless and delightful candidate joining experience.

Covid Support: We launched many initiatives to support our associates during the difficult times they faced due to the Covid-19 pandemic. Some of the initiatives included free online doctor consultation through our tie-up with 1mg, special Covid leave, reimbursement of Covid testing charges as well as vaccination expenses, and an exclusive 8 to 8 Helpdesk number to respond to associate queries.

Capability Building: We inducted more than 2000 frontline associates virtually and conducted more than 100 virtual training programs covering 1800 associates on the behavioural and leadership aspects. We launched many initiatives like WeLearn Tuesdays, Leader's talk to provide multiple opportunities and platform for all to learn.

Employee Engagement: Similar to our hiring and training, our employee engagement also went virtual. Work from home selfie contests, online quizzes, Kids fest, virtual treasure hunt and other such activities ensured that we don't have any dull moment during the lockdown. This also helped increase the enthusiasm and motivation levels of associates.

Communication & Connect: Communication is key and has a direct impact on employee morale and loyalty. We kept the communication channel alive through our HR desk. Our major share of communication was around Covid-19, with the attempt to build awareness around Coronavirus and keep educating associates on safety measures to be adopted to prevent the spread of infection. We also used the virtual communication platform to increase the motivation levels by recognising our performing associates.

HR processes: 2020-21 marked the year for revamping our HRMS with the tie-up with Peoplestrong. This partnership and launch will change the way we recruit, on board, train and collaborate within matrimony.com. The implementation is planned in a phased manner with go-live in early Q2 of 2021.

Work Infrastructure: Matrimony.com increased its footprints and launched operations in 3 more location - Pune, Mysore and Noida. Our existing offices across many locations were also refurbished with addition of new floors /spaces.

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 Associate Company & 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**

CORPORATE GOVERNANCE

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

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

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

SOCIAL COMMITMENT

- I) The Company's philosophy on CSR is to
 - a) Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
 - b) To directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
 - c) To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.
- II) The CSR committee was constituted for implementation of CSR activities and the Composition of the Committee as on 31st March 2021 is given below

| Sl. No. | Name of the Director | Position | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--|----------|--|--|
| 1. | Shri Murugavel J – Managing Director | Chairman | 1 | 1 |
| 2. | Shri Milind Shripad Sarwate - Independent Director | Member | 1 | 1 |
| 3. | Smt Deepa Murugavel- Non Executive Director | Member | 1 | 1 |

- III) 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. The web-links where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company which is also available on the Company's website at the following links: <https://www.matrimony.com/investors/policies/Corporate-Social-Responsibility-Policy.pdf> & <https://www.matrimony.com/investors/committee.php>
- IV) The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable : Not applicable

V) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not applicable

VI) Average net profit of the Company as per Section 135 (5): Rs. 4,896.55 lakhs

VII)

- Two percent of average net profit of the company as per section 135(5): Rs. 97.93 lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- Amount required to be set off for the financial year, if any: NIL
- Total CSR obligation for the financial year (a+b- c): Rs. 97.93 lakhs

VIII) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|--|--------------------|--|--------------------|--------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | No of shares | Amount (in Rs.) | Amount (in Rs.) | Amount (in Rs.) | Amount (in Rs.) |
| 148.68 | - | - | - | - | - |

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|--|--|----------------------|--------------------------|---------------|---------------------------------------|---|---|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No). | Mode of implementation through implementing agency. | |
| | | | | State | District | | | Name | CSR registration number |
| 1. | PM Cares Fund | Schedule VII (viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) | Pan India | Pan India | Pan India | 50,00,000 | No | - | - |
| 2. | Tamilnadu Chief Minister's Relief Fund | Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities. | Yes | Tamilnadu | All Districts | 50,00,000 | No | - | - |

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|---|---|----------------------|--------------------------|----------|---------------------------------------|---|---|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No). | Mode of implementation through implementing agency. | |
| | | | | State | District | | | Name | CSR registration number |
| 3. | School Sanitation and Tree planting projects | Schedule VII (iii) & (iv) measures for reducing inequalities faced by socially and economically backward groups; and ensuring environmental sustainability, ecological balance, conservation of natural resources | Yes | Tamilnadu | Chennai | 2,30,000 | No | Exnora International Foundation | - |
| 4. | Employment Enhancing Vocation Skills | Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills | Yes | Tamilnadu | Chennai | 8,75,000 | No | Hand in Hand India | - |
| 5 | Promoting education of children, eradicating hunger and promoting health care | Schedule VII (i) & (ii) eradicating hunger, poverty and malnutrition, promoting health care & promoting education, including special education especially among children | Yes | Tamilnadu | Chennai | 15,12,000 | No | SOS Children's Villages of India | - |
| 6 | Construction of toilets in school | Schedule VII (i) promoting health care including preventive health care and sanitation | Yes | Tamilnadu | Chennai | 13,00,480 | No | Sevalaya | - |
| 7 | Aid in rejuvenation of cauvery river project | Schedule VII (iv) ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water | Yes | Tamilnadu & Karnataka | - | 8,50,000 | No | Isha Outreach | - |
| 8 | Feeding displaced/ poor people in Chennai due to Covid pandemic lock down | Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities. | Yes | Tamilnadu | Chennai | 1,00,000 | No | KVN Foundation | - |
| TOTAL | | | | | | 1,48,67,480 | - | - | - |

d) Amount spent in Administrative Overheads: NIL

e) Amount spent on Impact Assessment, if applicable: NIL

Corporate Overview

Statutory Reports

Management Discussion & Analysis Report

Business Responsibility Report

Financial Statements Standalone

Financial Statements Consolidated

- f) Total amount spent for the Financial Year (VIII(b+c+d+e)): 148.68 Lakhs
 g) Excess amount for set off, if any

| Sl. No. | Particulars | Amount (in Rs. Lakhs) |
|---------|---|-----------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 97.93 |
| (ii) | Total amount spent for the Financial Year* | 148.68 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)]* | 50.75 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years | 0.14 |

*The amount spent during the financial year 2020-21 includes an amount of Rs. 50.61 lakhs that remained unspent during the Financial year 2019-20.

- IX) (a) Details of Unspent CSR amount for the preceding three financial years: NIL
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL
- X) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)
 (a) Date of creation or acquisition of the capital asset(s): Not applicable
 (b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable
- XI) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):
 Not applicable

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

STATUTORY AUDITORS

M/s. S.R. Batliboi and Associates LLP, Chartered Accountants, Chennai were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 30th September 2014. Their term got completed in the Eighteenth Annual General Meeting. M/s S.R. Batliboi & Associates LLP, Chartered Accountants were re-appointed from the conclusion of the Eighteenth Annual General Meeting to the conclusion of Twenty First Annual General Meeting, based on the requisite experience in handling audits of internet sector companies. They continue to serve as Statutory Auditors of the Company.

RISK MANAGEMENT

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

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

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

Shri S. M Sundaram
Shri. Milind Shripad Sarwate
Shri. George Zacharias

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. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2020-21, there was 1 complaint on sexual harassment and appropriate action was taken after investigation. Necessary steps were taken to create awareness on the prevention of Sexual harassment policy.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is available in the website of the Company under the link <https://www.matrimony.com/investors/extract-of-annual-return/extract-of-annual-return-19-20.pdf>

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

DISCLOSURE UNDER SUB RULE 5 (XI) & (XII) OF RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014

The Company has neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy code, 2016 (31 of 2016) during the year. Further, the Company has neither taken any loan from the Banks or Financial institutions nor entered into any one time settlement with them.

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. An independent

audit has been carried out for testing Internal Financial Control system during the financial year for ascertaining the control effectiveness.

Disclosure on maintenance of Cost Record

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

Place: Chennai
Date: May 11, 2021

Murugavel J
Chairman & Managing Director &
Chairman of CSR Committee

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

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

| Name | Ratio to Median remuneration | % increase in remuneration in the financial year |
|---------------------------------|------------------------------|--|
| Non Executive Directors: | | |
| Shri Milind S Sarwate | 13.04:1 | - |
| Shri George Zacharias | 12.65:1 | 7.69 |
| Shri C K Ranganathan | 5.55:1 | 10.26 |
| Smt Deepa Murugavel | 6.20:1 | 2.13 |
| Smt Akila Krishnakumar | 12.13:1 | 25.33 |
| Shri S M Sundaram# | 1.96:1 | - |
| Executive Directors: | | |
| Shri Murugavel J* | 128.06:1 | 40.90 |
| Chief Financial Officer | | |
| Shri Sushanth S Pai* | | 3.63 |
| Company Secretary | | |
| Shri Vijayanand S | | - |

• The median remuneration of employees of the Company was Rs.1,93,690

Shri S.M Sundaram has joined the Board of the Company on March 11, 2021

* The increase for Executive Directors, Chief Financial officer and Company Secretary is calculated on the difference in the cost to the company for both the years. Non Executive Directors are paid Sitting fees and commission.

- The percentage increase in the median remuneration of employees in the financial year: 6.18%
- The number of permanent employees on the rolls of Company: 3505
- Average percentage increase already made in the salaries of employees other than the managerial Personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
Average increase in remuneration is 1.55% for employees other than managerial personnel and 11.91% for Managerial Personnel.
- Affirmation that the remuneration is as per the remuneration policy of the Company

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

Place: Chennai
Date: May 11, 2021

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 | Total | | | | | | | |
| 1. | Saichitra S# | Chief Portal and Mobile Officer | 88.79 | 516.75 | 605.54 | Permanent | Holds Bachelor's degree in Computer Science and Master's degree in computer application from Bharitidasan university. She has over 20 years of experience in the field of product development and technology | July 13, 2001 | 44 yrs | Nil | 0.40 | No |
| 2 | J Murugavel# | Managing Director | 247.64 | 0.40 | 248.04 | Permanent | Holds Bachelor's Degree of Science in Statistics and Master's Degree in Computer applications from the University of Madras | September 5, 2001 | 50 yrs | Senior Programmer in Real Soft Inc, USA | 50.19 | Yes, Spouse of Director Mrs. Deepa Murugavel |
| 3 | Suresh V# | Chief Business Officer | 111.74 | 19.89 | 131.63 | Permanent | Holds Bachelors Degree in Engineering and a Master's Degree in Business Administration. Total experience of 25 years in Sales. | March 2, 2020 | 49 yrs | Info edge India Limited | - | No |
| 4 | Sushanth S Pai | Chief Financial Officer | 88.07 | 3.52 | 91.59 | Permanent | Holds Bachelor's Degree in commerce from University of Mumbai & Chartered Accountancy from ICAI. Has over 26 years of experience in Finance, Audit, Risk Management and Investor relations | December 10, 2018 | 45 yrs | Mindtree Limited – Associate Vice President | 0.01 | No |
| 5 | Kamala Kumar R | General Manager – Marketing | 27.41 | 63.58 | 90.99 | Permanent | Holds Bachelor's Degree in Corporate Secretaryship from University of Madras. Has over 20 years of experience in marketing. | July 13, 2001 | 47 Yrs | - | 0.05 | No |
| 6 | Chandrasekar R | Chief Technology Operation and Infrastructure officer | 82.77 | - | 82.77 | Permanent | Holds Bachelor's Degree in Science and Masters degree in Computer application from Bharathidasan University. Has over 28 years of experience in the field | December 8, 2006 | 52 yrs | Sify Technologies Limited | 0.03 | No |
| 7 | Prasad Nelliparthi* | Chief Human Resources Officer | 62.40 | 7.37 | 69.77 | Permanent | Holds Bachelor's Degree in Commerce, Master's Degree in Social Work, has over 31 years of experience. | May 10, 2018 | 55 Yrs | Ex.Vice President HR – Tube Investments of India Ltd | 0.01 | 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 |
| 8. | Kiran Vijayakumar | Vice President – Technology | 60.56 | - | 60.56 | Permanent | Holds Bachelor's degree of Technology (Computer Science & Engineering) from college of engineering, Thiruvananthapuram. Has over 20 years of experience. | July 14, 2015 | 45 yrs | UST Global – Director, Cloud Practice | 0.01 | No |
| 9 | Deviprasad T | Vice President – Data Science | 59.28 | - | 59.28 | Permanent | Holds Bachelor's degree of Technology (Mechanical Engineering) from college of engineering, Thiruvananthapuram and Masters from IIM Kolkata. Has over 25 years of experience. | June 11, 2020 | 47 yrs | Techvantage Systems (P) Limited | - | No |
| 10. | Srinath Duggirala | Vice President – Product | 57.31 | - | 57.31 | Permanent | Holds Bachelor's degree in Technology from IIT Kharagpur & PGDM from IIM Ahmedabad and has over 13 years of work experience. | December 15, 2016 | 37 Yrs | Vice President – Info Edge India Ltd (99 Acres.com) | - | No |
| 11 | Rajesh Balaji* | Sr. Vice President – Human Resources | 53.58 | - | 53.58 | Permanent | Holds Bachelor's Degree in Commerce and Post graduation in Social work from Madras University. Has completed Leadership coaching from Centre for Creative leadership institute, London and Executive leadership program from Said Business School, Oxford University. Holds more than 24 years of experience in Human resources function for various industries | October 19, 2020 | 47 Yrs | Head HR – Retail, Landmark Group, Middle East | - | No |
| 12 | Arjun Bhatia* | Sr. Vice President - Marketing | 36.61 | - | 36.61 | Permanent | Holds Bachelors degree in Engineering from Delhi College of Engineering and MBA from Faculty of management studies, Delhi University. Has over 20 years of experience in Marketing | January 11, 2021 | 41 Yrs | Head Marketing & E Commerce of Samsung India Consumer Electronics | - | No |

Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees ;

*Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;

Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year 2020-21

[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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and for the purpose of issuing this Report.

Based on our 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We 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 2021 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; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (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

We 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.

However, the Company has received a show cause notice no. SEBI/EAD/AA/MKG/3458/2020 dated August 18, 2020 from SEBI under Rule 4(1) of SEBI (Procedure for holding Inquiry and imposing penalties) Rules 1995 in the matter of trading by certain employees in the Scrip, "Matrimony.com Limited" during the year 2018. In the show cause notice, it was alleged that the Company has violated Regulation 7(2)(b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 on three occasions. The allegations, if established makes the Company liable for monetary penalty under Section 15A(b) of SEBI Act. The Company has sought inspection of certain documents from SEBI for filing suitable reply to the above allegations. The matter is currently pending. During the year under review, no penalty is levied or prosecution initiated against the Company based on the above notice.

We 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.

We 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.

We further report that, during the audit period,

The Company has issued and allotted the following equity shares pursuant to exercise of options granted under Employee Stock Option scheme 2014

| Sl No | No of equity shares of Rs. 5 each/- | Date of allotment |
|-------|-------------------------------------|-------------------|
| 1 | 4,100 | 20th May 2020 |
| 2 | 12,710 | 5th November 2020 |
| 3 | 500 | 4th February 2021 |
| 4 | 84,048 | 2nd March 2021 |
| 5 | 4,025 | 30th March 2021 |

Place: Chennai
Date : 10.05.2021

For V Suresh Associates
Practising Company Secretaries

V Suresh
FCS No. 2969
C.P.No. 6032
Peer Review Cert No 667/2020
UDIN: F002969C000381270

Annexure to Secretarial Audit Report

To,

The Members

MATRIMONY.COM LIMITED

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

Date : 10.05.2021

For V Suresh Associates
Practising Company Secretaries

V Suresh
FCS No. 2969
C.P.No. 6032
Peer Review Cert No 667/2020
UDIN: F002969C000381270

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 subsidiaries & associate company

| No | Name of the 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 | Country |
|----|---|--------------------|---------------|---------------|--------------------|--------------|-------------------|-------------|--------------|--------------------------------|------------------------|--------------------------------|-------------------|------------|---------|
| 1. | Sys India Private Limited | INR | - | 1,00,000 | 8,63,054 | 56,56,445 | 46,93,391 | 0 | 19,55,207 | (1,36,295) | 46,492 | (1,82,787) | - | 100% | India |
| 2. | Consim Info USA Inc | USD | - | 1,000 | 2,78,969 | 8,38,350 | 5,58,381 | 0 | 33,736 | 1,298 | 1,273 | 25 | - | 100% | USA |
| 3. | Matrimony DMCC | AED | - | 50,000 | 4,12,659 | 12,65,642 | 8,02,983 | 0 | 33,33,361 | 14,84,796 | - | 14,84,796 | - | 100% | UAE |
| 4. | Astro Vision Futuretech Private Limited | INR | - | 1,28,070 | 2,57,13,798 | 6,97,96,033 | 4,39,54,165 | 0 | 13,56,58,269 | (2,96,17,228) | (76,97,935) | (2,19,19,293) | - | 26.09% | India |

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 2020-21.

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

| SL. No. | Particulars | Details |
|---------|---|--|
| 1. | Name (s) of the related party & nature of relationship | Sys India Private Limited & Wholly Owned Subsidiary Company |
| 2. | Nature of contracts/arrangements/transaction | 1. Availing of advertising agency services for advertising in print media and vernacular websites of online media. 2. Hiring of employees for its operation |
| 3. | Duration of the contracts/arrangements/transaction | 3 years, 01-June-2019 to 31-May-2022 |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | Maximum of Rs.10 Crores per annum |
| 5. | Date of approval by the Board | 09/05/2019 |
| 6. | Amount paid as advances, if any | NIL |

| SL. No. | Particulars | Details |
|---------|---|---|
| 1. | Name (s) of the related party & nature of relationship | Consim Info USA Inc & Wholly Owned Subsidiary Company |
| 2. | Nature of contracts/arrangements/transaction | 1. Agency services in USA for match making business 2. Providing of services including customer support, online marketing, accounting, finance, record keeping, tax, audit support, legal, information systems and other corporate services. |
| 3. | Duration of the contracts/arrangements/transaction | 3 years, 01-Apr-2018 to 31-Mar-2021 |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | Maximum of Rs. 75 Crores per annum |
| 5. | Date of approval by the Board | 01/02/2018 |
| 6. | Amount paid as advances, if any | NIL |

| SL. No. | Particulars | Details |
|---------|---|---|
| 1. | Name (s) of the related party & nature of relationship | Matrimony DMCC, Dubai & Wholly Owned Subsidiary Company |
| 2. | Nature of contracts/arrangements/transaction | 1. Granting of License to operate the Company's Match making business in GCC countries. 2. Providing of services including customer support, online marketing, accounting, finance, record keeping, tax, audit support, legal, information systems and other corporate services. |
| 3. | Duration of the contracts/arrangements/transaction | Effective from 02-Jan-2019 to 31-Mar-2022 |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | Maximum of Rs. 6 Crores |
| 5. | Date of approval by the Board | 12/02/2019 |
| 6. | Amount paid as advances, if any | NIL |

| SL. No. | Particulars | Details |
|---------|---|--|
| 1. | Name (s) of the related party & nature of relationship | Astro-Vision Futuretech Private Limited & Associate Company |
| 2. | Nature of contracts/arrangements/transaction | Astrology services |
| 3. | Duration of the contracts/arrangements/transaction | Effective from 01-Jan-2019 to 31-Dec-2021. The contract was subsisting even before the Company became a related party. The Company became a related party consequent to acquisition of 26.09% stake on 11th February 2020. |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | Maximum of upto Rs. 25 lakhs |
| 5. | Date of approval by the Board | 24/03/2020 |
| 6. | Amount paid as advances, if any | NIL |

Annexure F

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Matrimony.com is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, Matrimony.com Limited believes that sound governance policies and practices are necessary for establishing a proper environment for 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 2021.

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 including women Directors, which ensures proper governance and management. The Chairman of the Board is the Promoter & Managing Director. As at 31st March 2021, the Board of Directors comprises of seven Directors and 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. The Company has got two women Directors of which one Director is independent. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company. None of the Directors of the Company has attained the age of seventy-five years as on 31st March 2021. The directorships held by the directors are within the limits prescribed under Section 165 of the Companies Act, 2013. None of the Directors is related to each other except Shri. Murugavel J and Smt. Deepa Murugavel.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI LODR") read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. The composition of the independent directors is in conformity with the statutory requirements. In compliance with Regulation 17A of SEBI LODR, none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI LODR and that they are independent of the management.

As mandated under Regulation 26(1) of the SEBI LODR, none of the Directors is a member in more than ten Committees nor is any of them a Chairperson of more than five committees across all public limited 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 2021.

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 2021

| 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 Shripad Sarwate | 00109854 | Non-Executive Independent Director |
| 5. | Shri Chinni Krishnan Ranganathan | 00550501 | Non-Executive Independent Director |
| 6. | Smt Akila Krishnakumar | 06629992 | Non-Executive Woman Independent Director |
| 7. | Shri S.M.Sundaram | 02137377 | Non-Executive Additional & Independent Director |

b) The number of Boards or Board Committees in which the Director is a Member or Chairperson as on 31st March 2021 are given below:

| Name of the Director | Number of Directorships in public Companies* | Committee Position** | |
|----------------------------------|---|----------------------|--------|
| | | Chairperson | Member |
| Shri Murugavel J | 2 | - | 1 |
| Smt Deepa Murugavel | 1 | 1 | 1 |
| Shri George Zacharias | 2 | - | 2 |
| Shri Milind Shripad Sarwate | 8 | 5 | 8 |
| Shri Chinni Krishnan Ranganathan | 2 | - | - |
| Smt Akila Krishnakumar | 5 | 1 | 3 |
| Shri S.M.Sundaram | 1 | 1 | 2 |

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

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

Listed entities in which the directors hold position as director other than the Company and category of directorship as on 31st March 2021:

| Name of the Director | Name of the company | Category of directorship |
|----------------------------------|--|--------------------------|
| Shri Milind Shripad Sarwate | Mahindra & Mahindra Financial Services Ltd | Independent Director |
| | Sequent Scientific Limited | Independent Director |
| | Metropolis Healthcare Limited | Independent Director |
| Shri George Zacharias | Subex Ltd | Independent Director |
| Shri Chinni Krishnan Ranganathan | NIL | NIL |
| Shri Murugavel Janakiraman | NIL | NIL |
| Smt Deepa Murugavel | NIL | NIL |
| Smt Akila Krishnakumar | IndusInd Bank Ltd | Independent Director |
| | Heidelbergcement India Ltd | Independent Director |
| | ABB Power Products and Systems India Ltd | Independent Director |
| Shri S M Sundaram | NIL | NIL |

c) Meetings and Attendance

The Board met six times during the year on, 20th May, 2020, 6th August 2020, 5th November 2020, 4th February 2021, 11th March 2021 and 30th March 2021. 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 | Board Meetings | Last AGM |
|----------------------------------|----------------|----------|
| Shri Murugavel J | 6 | Yes |
| Smt Deepa Murugavel | 6 | Yes |
| Shri George Zacharias | 6 | Yes |
| Shri Milind Shripad Sarwate | 6 | Yes |
| Shri Chinni Krishnan Ranganathan | 5 | Yes |
| Smt Akila Krishnakumar | 6 | Yes |
| Shri S M Sundaram# | 2 | NA# |

#Shri S M Sundaram was appointed only on 11th March 2021

d) The details of the shares held by the Directors of the Company as at 31st March 2021 including the non-executive Directors are as follows:

| Name of the Director | No. of Shares | Percentage to Capital |
|----------------------------------|--------------------|-----------------------|
| Shri Murugavel J | 1,14,78,766* | 50.19% |
| Smt Deepa Murugavel | 4,007 | 0.02% |
| Shri George Zacharias | 36,987 | 0.16% |
| Shri Milind Shripad Sarwate | 5,324 | 0.02% |
| Shri Chinni Krishnan Ranganathan | - | - |
| Smt Akila Krishnakumar | - | - |
| Shri S.M Sundaram | - | - |
| Total | 1,15,25,084 | 50.39% |

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

e) Details of familiarisation programme for Independent Directors:

The details of the familiarisation programme for Independent Directors are available at the Company's website, at the following link at

<https://www.matrimony.com/investors/policies/familiarisation-program-for-independent-directors.pdf?id=06062021>

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

1. Governance Skills

| Skill Area | Description | Assessment of Board |
|------------|--|---|
| Strategy | Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's relevant policies and priorities. | Available with all the Board of Directors |

| Skill Area | Description | Assessment of Board |
|---------------------------|--|---|
| Finance | Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> analyse key financial statements; oversee financial reporting process; critically assess financial viability and performance; contribute to strategic financial planning; oversee budgets and the efficient use of resources; oversee funding arrangements and accountability; evaluation of internal financial controls and risk management systems; | All the Board of Directors have knowledge, experience and ability to analyse key financial statements. The following Directors have all other skills/expertise in Finance Function Shri Milind S Sarwate Shri S.M Sundaram Shri George Zacharias Shri C.K Ranganathan Shri Murugavel J Smt Akila Krishnakumar |
| Risk | Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks and systems | Available with the following Board of Directors Shri Milind S Sarwate Shri George Zacharias Shri C.K Ranganathan Shri Murugavel J Smt Akila Krishnakumar Shri S.M. Sundaram |
| IT | Knowledge and experience in the strategic use and governance of information management and information technology within the organisation. | Available with the following Board of Directors Shri Milind S Sarwate Shri George Zacharias Shri C.K Ranganathan Shri Murugavel J Smt Akila Krishnakumar Shri S.M Sundaram |
| Human Resource Management | Experience at an executive level including the ability to: <ul style="list-style-type: none"> Appoint and evaluate the performance of the CXO and senior management; Oversee strategic human resource management including workforce planning, Employee and industrial relations; and Oversee large scale organisational change. | Available with the following Board of Directors Shri Milind S Sarwate Shri George Zacharias Shri C.K Ranganathan Shri Murugavel J Smt Akila Krishnakumar |

2. Industry Skills (Internet & Technology)

| Skill Area | Description | Assessment of Board |
|-----------------------|--|---|
| Technology Innovation | Understanding the current drivers of innovation in the internet technologies and specifically in the Artificial Intelligence, Data analytics etc | Shri Murugavel J, Shri George Zacharias and Smt Akila Krishnakumar have direct and long term experience in the Technology industry. |
| Consumer Behaviour | Understanding the trends in consumer behavior | Available with all the board of Directors |
| Industry connect | Network with relevant industry organisations and consumer or business groups including regulators, and the ability to effectively engage and communicate with those stakeholders | All Board members have extensive experience in transferrable skill areas such as networking with industry leaders. |
| Marketing | Knowledge of and experience in online & offline marketing strategies | Shri Murugavel J, Shri C.K Ranganathan and Shri George Zacharias have good knowledge and experience in marketing strategy. |

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 S M Sundaram – Chairman# | - |
| 2. | Shri Milind Shripad Sarwate | 5 |
| 3. | Shri George Zacharias | 5 |
| 4. | Smt Akila Krishnakumar# | 5 |

#Note: Shri S M Sundaram was inducted into the committee as Member and Chairman with effect from 30th March 2021 replacing Smt Akila Krishnakumar who has resigned from the Committee

During the year the Committee met five times, viz 20th May, 2020, 6th August 2020, 5th November 2020, 4th February 2021 and 30th March 2021

The Senior Management team of the Company comprising of the Managing Director, Chief Financial Officer, Chief Human Resources Officer and Chief Technology & Infrastructure 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. Hence the composition complies with stipulation in Regulation 18(1) (b) of SEBI (LODR) Regulations, 2015.

b) Brief description of terms of reference

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

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

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

c) The Committee has been reconstituted during the year. Shri S.M Sundaram was inducted into the committee as Member and Chairman with effect from 30th March 2021 replacing Smt Akila Krishnakumar who has resigned from the Committee.

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 Shripad Sarwate - Chairman | 5 |
| 2. | Shri George Zacharias | 5 |
| 3. | Smt Akila Krishnakumar | 5 |

During the year, the Committee met five times, viz., 20th May 2020, 5th November 2020, 4th February 2021, 11th March 2021 and 30th March 2021.

b) Brief description of terms of reference

The terms of reference include the following:

- 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.
- To carry out evaluation of every director's performance.
- 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.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- 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.
- 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.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

c) Nomination and Remuneration Policy

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

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

4. REMUNERATION TO THE DIRECTORS

The details of remuneration paid to Directors are given below,

(i) Remuneration to Non-Executive Directors during the Financial Year 2020-21:

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

| Particulars | (Rs.) |
|---|---------|
| Board Meeting, Audit Committee Meeting & Nomination & Remuneration Committee Meeting | 100,000 |
| Corporate Social Responsibility Committee meeting, Risk & Governance Committee meeting and the Meeting of Independent Directors | 75,000 |
| Stakeholders Relationship Committee meeting & Share Allotment Committee meeting | 25,000 |

The shareholders at the annual general meeting held on 7th August 2019 have approved payment of commission to Non-Executive Directors of upto 1% net profits calculated as per the provisions of Companies Act, 2013. The Board of Directors at their meeting held on 11th May 2021 have approved a fixed commission of Rs. 5,00,000 to each of the non-executive Directors for the year 2020-21 and a proportionate commission of Rs. 28,800 to Shri S. M Sundaram since he was appointed on 11th March 2021.

Details of Sitting Fees and commission paid to Non-Executive Directors during the financial year 2020-21 are as follows:

| Name of the Director | Board Meeting #(Rs.) | Committee Meeting (Rs.) | Commission* (Rs.) | Total (Rs.) |
|----------------------------------|-------------------------|-------------------------|-------------------|-------------|
| Shri Milind Shripad Sarwate | 6,75,000 | 13,50,000 | 5,00,000 | 25,25,000 |
| Shri George Zacharias | 6,75,000 | 12,75,000 | 5,00,000 | 24,50,000 |
| Shri Chinni Krishnan Ranganathan | 5,75,000 | - | 5,00,000 | 10,75,000 |
| Smt Deepa Murugavel | 6,00,000 | 1,00,000 | 5,00,000 | 12,00,000 |
| Smt Akila Krishnakumar | 6,75,000 | 11,75,000 | 5,00,000 | 23,50,000 |
| Shri S M Sundaram | 2,75,000 | 75,000 | 28,800 | 3,78,800 |

Includes fee of Rs.75,000 for the meeting of Independent Directors.

*The commission shall be paid during the financial year 2021-22 after approval of financial statements. But the same has been included in the remuneration paid to the non-executive Directors since it is provided in the financial statements

(ii) Remuneration to Managing Director during the Financial Year 2020-21:

The remuneration of Shri Murugavel J, Managing Director is governed by the resolution passed by the Board of Directors and shareholders at the Annual General Meeting held on 3rd May 2018 & August 10, 2018 respectively for a period of three years with effect from 1st April 2018 with a basic salary of Rs. 150 lakhs in the grade of 150 lakhs to 250 lakhs and a variable performance pay upto 100% of the basic salary on fulfilling the performance criteria laid down the Nomination & Remuneration Committee and the Board of Directors apart from other benefits. His fixed remuneration is Rs. 176.04 lakhs and other remuneration including variable performance pay comes to Rs. 72 lakhs. His total remuneration for the year amounted to Rs. 248.04 lakhs.

(iii) Stock options to Non-Executive Director

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

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

There are no pecuniary relationship/transactions with the Non-Executive Directors except payment of sitting fees, commission and reimbursement of travel expenses for attending Board & Committee Meetings. 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 - Chairman | 1 |
| 2. | Shri Murugavel J | 1 |
| 3. | Shri Akila Krishnakumar# | 1 |
| 4. | Shri S.M Sundaram# | - |

#Note: Shri S.M.Sundaram was inducted into the committee with effect from 30th March 2021 replacing Smt Akila Krishnakumar who has resigned from the Committee.

During the year the Committee met once on 30th March 2021.

b) Brief description of terms of reference

The Committee's main focus is on the basic rights of the Shareholders including Transmission / Transposition of Shares, Issue of Duplicate/Split Certificates, Sub Division/Consolidation of Shares, Consolidation of Folios, Dematerialization/Rematerialization of Shares, Change of address, non receipt of the dividend, non receipt of the Share Certificates 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.

The Company has received 1 complaint during the year. There are no pending complaints as on 31st March 2021.

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 during the year. Shri S.M.Sundaram was inducted into the committee with effect from 30th March 2021 replacing Smt Akila Krishnakumar who has resigned from the Committee

6. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

i) SHARE ALLOTMENT COMMITTEE

a) Composition:

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

| Sl. No. | Name of the Director | No. of Meetings attended |
|---------|-----------------------------|--------------------------|
| 1. | Shri Murugavel J - Chairman | 5 |
| 2. | Shri Milind Shripad Sarwate | 5 |
| 3. | Shri George Zacharias | 5 |

During the year the Committee met five times viz., 20th May 2020, 05th November 2020, 04th February 2021, 02nd March 2021 and 30th March 2021 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.

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

ii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a) Composition

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

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

During the year, the Committee met once on 4th February 2021.

b) Brief description of terms of reference

The scope of the Committee includes the following

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- 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.

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

iii) RISK AND GOVERNANCE COMMITTEE

a) Composition

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

| Sl. No. | Name of the Director | No. of Meetings attended |
|---------|----------------------------------|--------------------------|
| 1. | Shri George Zacharias - Chairman | 2 |
| 2. | Shri Milind Shripad Sarwate | 2 |
| 3. | Smt Akila Krishnakumar | 2 |
| 4. | Shri S.M. Sundaram# | 1 |

#Note: Shri S.M Sundaram was inducted into the committee with effect from 30th March 2021

During the year the Committee met twice on 05th November 2020 & 30th March 2021.

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

7. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 30th March 2021 to review the performance of non - Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

8. GENERAL BODY MEETINGS

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

| Date | Meeting | Location | Time |
|------------------|---------|---|----------|
| 6th August 2020 | AGM | Meeting conducted through other Audio Visual means | 10 A.M |
| 7th August 2019 | AGM | Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Alwarpet, Chennai – 600018 | 10 A.M |
| 10th August 2018 | AGM | "Kasthuri Srinivasan Mini Hall", The Music Academy New No. 168 (Old No.306), T.T.K. Road Chennai - 600 014. | 9.30 A.M |

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

| Date of the AGM | Subject Matter of the Special Resolution |
|------------------------|---|
| 7th August 2019 | To approve increasing the Foreign Institutional Investors ("FII") / Foreign Portfolio Investor ("FPI") / Non Resident Indian ("NRI") shareholding limit in the paid-up share capital of the Company |
| 7th August 2019 | To extend the benefits and coverage of the Matrimony Employee Stock Option Scheme 2014" (the "ESOS 2014") to the employees of the Holding/Subsidiary Companies of the Company |

(iii) Postal Ballot

No resolutions were passed through postal ballot during the year 2020-21.

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

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER INFORMATION**a) Details of the forthcoming Annual General Meeting**

| | | |
|----|-------|---|
| 1. | Date | 12th August 2021 |
| 2. | Day | Wednesday |
| 3. | Time | 10.00 A.M. |
| 4. | Venue | The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated January 13, 2021 read with Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. |

b) Financial Calendar for 2021-22 (tentative)

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2021-22 are as under:

| | |
|--|---|
| Financial Results for the Quarter ending 30th June 2021 | Between 15th July & 14th August 2021 |
| Financial Results for the Quarter ending 30th September 2021 | Between 15th October & 14th November 2021 |
| Financial Results for the Quarter ending 31st December 2021 | Between 15th January & 14th February 2022 |
| Financial Results for the year ending 31st March 2022 | Between 1st May & 30th May 2022 |
| Annual General Meeting of the Company, for the year ending 31st March 2022 | July / August 2022 |

c) Dividend payment date

On or after August 12, 2021 (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:

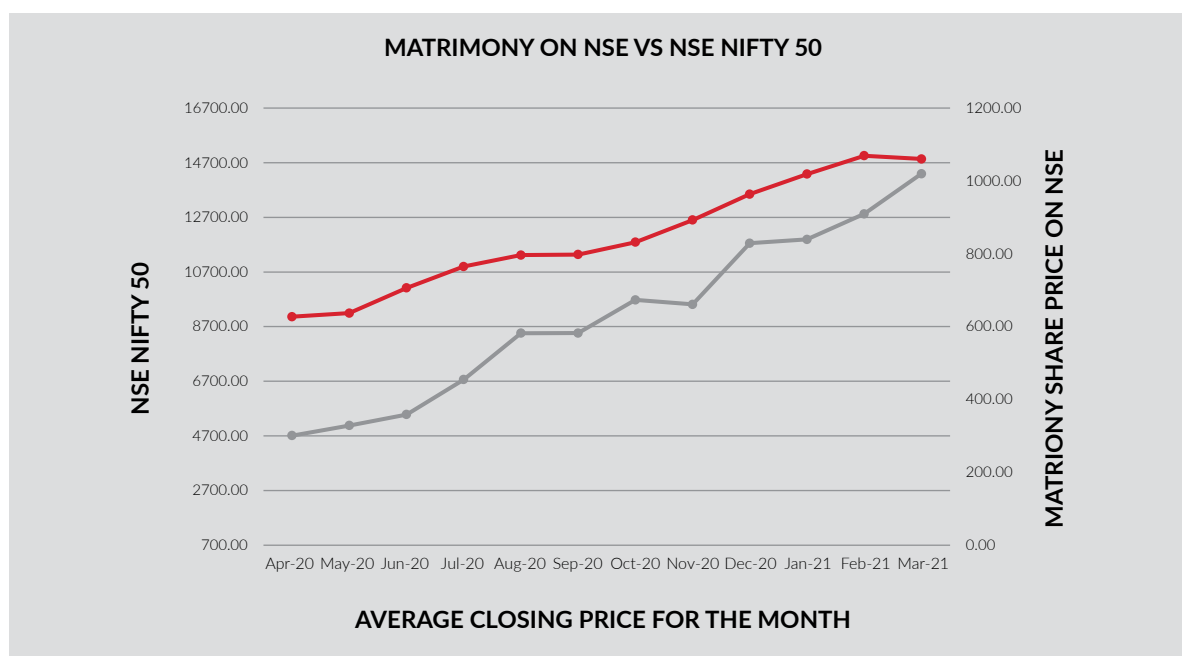
| Name of the Stock Exchange | Address | Stock Code |
|--|---|------------|
| BSE Limited | Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai – 400 001 | 540704 |
| National Stock Exchange of India Limited | Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051. | MATRIMONY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

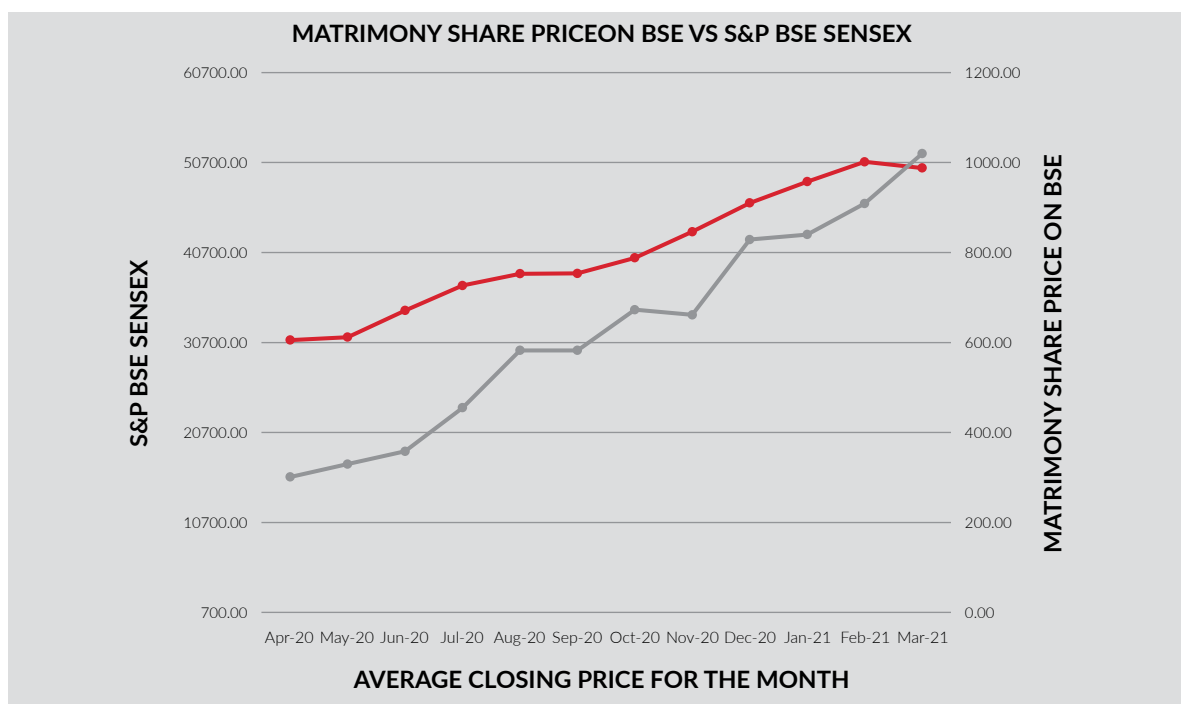
In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2020-21 have been paid to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

| Month | BSE Share Price (Rs.) | | NSE Share Price (Rs.) | |
|--------|-----------------------|--------|-----------------------|--------|
| | High | Low | High | Low |
| Apr-20 | 372.90 | 259.00 | 370.45 | 255.05 |
| May-20 | 367.25 | 291.30 | 370.00 | 304.10 |
| Jun-20 | 410.00 | 311.00 | 424.00 | 322.60 |
| Jul-20 | 650.00 | 366.00 | 639.20 | 363.60 |
| Aug-20 | 670.00 | 520.00 | 667.00 | 531.80 |
| Sep-20 | 673.00 | 511.00 | 678.35 | 522.50 |
| Oct-20 | 764.55 | 621.65 | 770.00 | 613.95 |
| Nov-20 | 752.75 | 616.10 | 754.75 | 601.85 |
| Dec-20 | 967.00 | 706.00 | 969.90 | 667.00 |
| Jan-21 | 932.75 | 779.10 | 933.75 | 783.00 |
| Feb-21 | 1242.00 | 801.55 | 1242.00 | 802.00 |
| Mar-21 | 1163.75 | 896.45 | 1160.00 | 895.00 |

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. KFin Technologies 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. KFin Technologies Pvt Limited

Unit: Matrimony.com Limited

Selenium Tower B Plot No 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500032
Telangana

h) Share Transfer System

The requests for 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 Transmissions, Transposition, etc., are processed based on number of requests received and keeping in view the prescribed timeline. The shares lodged for Transmission/ Transposition are registered as per the requirement of the SEBI (LODR) Regulations, 2015, if the documents are complete in all respects. Shares requested for dematerialisation are generally confirmed within 21 days.

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

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

i) Shareholding Pattern and the Distribution of Shareholding as at 31st March 2021:

| 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 | 1,14,82,774 | 1,14,82,774 | 50.21% |
| Bodies Corporate | - | - | - | - |
| Trusts | - | - | - | - |
| Promoter shareholding (A) | 3 | 1,14,82,774 | 1,14,82,774 | 50.21% |
| (B) Non-Promoters Institutional Investors | | | | |
| Mutual Funds / UTI | 5 | 25,42,550 | 25,42,550 | 11.11% |
| Financial Institutions / Banks | - | - | - | - |
| Insurance Companies | - | - | - | - |
| Alternative Investment Funds | 7 | 12,82,225 | 12,82,225 | 5.61% |
| Foreign Institutional Investors | - | - | - | - |
| Foreign Portfolio Investor (Corporate) | 13 | 52,16,707 | 52,16,707 | 22.81% |
| Foreign Venture Capital Investors | - | - | - | - |
| Foreign Companies | 1 | 6,33,246 | 6,33,246 | 2.77% |
| Sub Total | 26 | 96,74,728 | 96,74,728 | 42.30% |
| General Public | 12,206 | 11,03,635 | 11,03,633 | 4.82% |
| NBFC | - | - | - | - |
| Bodies Corporate | 138 | 2,00,897 | 2,00,897 | 0.88% |
| Others including HUF, NRIs, Foreign Nationals, Clearing Members, Directors relatives, ESOP & employees etc | 797 | 4,09,522 | 4,03,697 | 1.79% |
| Sub Total | 13,141 | 17,14,054 | 17,08,227 | 7.49% |
| Non-Promoters shareholding (B) | 13,167 | 1,13,88,782 | 1,13,82,955 | 49.79% |
| Total Shareholding (A)+(B) | 13,170 | 2,28,71,556 | 2,28,65,729 | 100.00% |

j) The Distribution of Shareholding of the Company as at 31st March 2021 is as follows:

| No of Equity shares held | No of shareholders | % of total | No of Shares | % of total |
|--------------------------|--------------------|----------------|--------------------|----------------|
| 1-5000 | 13,111 | 99.55% | 7,56,326 | 3.31% |
| 5001-30000 | 29 | 0.22% | 3,44,409 | 1.51% |
| 30001-40000 | 4 | 0.03% | 1,36,767 | 0.60% |
| 40001-50000 | 3 | 0.02% | 1,48,922 | 0.65% |
| 50001-100000 | 8 | 0.06% | 6,43,620 | 2.81% |
| 100001-1000000 | 10 | 0.08% | 28,77,203 | 12.58% |
| 1000001 and above | 5 | 0.04% | 1,79,64,309 | 78.54% |
| Total | 13,170 | 100.00% | 2,28,71,556 | 100.00% |

k) Dematerialization of Shares and Liquidity

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

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

The annual custodial / issuer charges to the respective Depository for the financial year 2020-21 have been paid as on date.

As at 31st March 2021, 22865729 equity shares representing 99.97% of the Company's total number of shares, have been dematerialized.

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

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

The Company has no outstanding ADR/GDR/Warrants or any convertible instruments as on 31st March 2021.

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

Shri Vijayanand S, Company Secretary and Compliance Officer
No.94, TVH Belicia Towers, Tower II, 5th Floor, MRC Nagar, Raja Annamalaipuram, Chennai – 600028
Phone: +91 44 3095 3095, 4900 1919
e-mail:investors@matrimony.com

(or)

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

- n) The details relating to commodity price risks and commodity hedging activities are not applicable to the Company.
- o) The details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) is not applicable as the Company did not raise any funds through the above route during the year.
- p) The Company has obtained a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- q) The Company has not obtained any credit rating during the year

r) Other Information to Shareholders**(i) Reconciliation of Share Capital Audit**

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

(ii) Compliance Certificate

Compliance Certificate dated May 11, 2021 from our Statutory Auditors, M/s. S.R. Batliboi Associates LLP is given in Annexure B.

11. OTHER DISCLOSURES

- a) There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.
- b) There are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years. However, the Company has received a show cause notice no. SEBI/EAD/AA/MKG/3458/2020 dated August 18, 2020 from SEBI under Rule 4(1) of SEBI (Procedure for holding Inquiry and imposing penalties) Rules, 1995 in the matter of trading by certain entities in the Scrip, "Matrimony.com Limited" during the year 2018. In the show cause notice, it was alleged that the Company has violated Regulation 7(2)(b) of SEBI (PIT) Regulations on three occasions. The allegations, if established makes the Company liable for monetary penalty under Section 15A(b) of SEBI Act. The Company has sought inspection of certain documents from SEBI for filing suitable reply to the above allegations. The matter is currently pending. During the year under review, no penalty is levied or prosecution initiated against the Company based on the above notice.
- 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-new.pdf?v1>. 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 given below: <https://www.matrimony.com/investors/policies/Material-Subsidiary-Policy.pdf>
- f) The Company has both Indian and overseas subsidiaries, which are not listed. Based on the said policy, none of the said subsidiaries qualify as a material subsidiary. The management of the unlisted subsidiaries periodically bring to the notice of the Board, a statement on significant transactions and arrangements if any, entered into by them. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.

- g) The Company enters into contract with wholly owned subsidiaries for a minimum period of three years. The Company generally do not enter into any contract with any other related parties other than the wholly owned subsidiaries. The requirement of obtaining prior or omnibus approval of Audit committee and shareholders' approval does not arise since the transactions are with wholly owned Subsidiaries. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is: <https://www.matrimony.com/investors/policies/Related-Party-Transaction-Policy.pdf>
- h) Total fees for all services paid by the listed entity to the statutory auditor and to other network entities are given below.

S.R.Batliboi & Associates LLP

| Particulars | Amount (Rs. Lakhs) |
|---|--------------------|
| Audit fee | 31.00 |
| Limited review | 12.00 |
| Tax audit fee | 1.00 |
| Others (Statutory Certification fees & reimbursement of out of pocket expenses) | 1.00 |
| Total | 45.00 |

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

- i). number of complaints filed during the financial year : 1
 ii). number of complaints disposed of during the financial year : 1
 iii). number of complaints pending as on end of the financial year: NIL

Note: The Company had actually received three complaints under POSH. However, two complaints were dismissed as not POSH by the internal compliance committee considering the nature of the complaint.

- j) The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.
- k) The Board of Directors periodically review Compliance Reports pertaining to all laws applicable to the Company. No major non-compliance was reported during the year under review.
- l) The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.
- m) A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013.
- n) Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
- o) The Company has obtained shareholders' approval in the Annual General Meeting held on August 7, 2019 for payment of commission upto 1% of net profits apart from the sitting fees payable to non-executive Directors within the limits specified under Companies Act, 2013.
- p) The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

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

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

The 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. During the year under review, the NRC carried out a separate exercise to evaluate the performance of individual Directors. Further, in accordance with Schedule IV to the Companies Act, 2013 and the Listing Regulations, performance evaluation of Independent Directors was done by the entire Board excluding the Director being evaluated. The manner in which the annual performance evaluation is done by the Board including the criteria for the same is discussed in detail in the Directors report.

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

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

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

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

12. CEO / CFO CERTIFICATION

The Chairman & Managing Director of the Company Shri Murugavel J, Managing Director along with Chief Financial Officer of the Company Shri Sushanth S Pai, have certified compliance with the stipulations of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 in relation to the Annual Financial Statements for the year 2020-21.

13. CODE OF CONDUCT

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

14. INFORMATION REGARDING UNCLAIMED SHARES

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

Annexure A

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 2021.

For MATRIMONY.COM LIMITED

Place: Chennai
Date : 11th May 2021

MURUGAVEL J
CHAIRMAN & MANAGING DIRECTOR

Annexure B

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

To the Members of
Matrimony.com Limited,
No.94, TVH Belicia Towers, 5th Floor,
Tower - II, MRC Nagar, Raja Annamalaipuram,
Chennai – 600028

1. The Corporate Governance Report prepared by Matrimony.com Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that at least one independent women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee meetings/other meetings held from April 1, 2020 to March 31, 2021:
 - (a) Board of Directors;
 - (b) Audit committee;
 - (c) Annual General meeting;
 - (d) Nomination and Remuneration committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Independent Directors;
 - (g) Risk & Governance committee;
 - (h) Corporate Social Responsibility committee; and
 - (i) Share Allotment committee.
 - v. Obtained necessary declarations from directors of the Company;
 - vi. Obtained and read the policy adopted by the Company for related party transactions;
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee; and
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. 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

9. 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 specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Aravind K**

Partner

Membership No. : 221268

Place: Chennai

Date: May 11, 2021

UDIN: 21221268AAAACY7886

Management Discussion and Analysis Report

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

Global Economy Overview

2020 was vastly disrupted by the Covid-19 pandemic that hit the world economy hard. The pandemic spread like a forest fire, reaching every corner of the world, infecting more than 141 million and killing more than 3 million people worldwide (as of April 2021). For several months, uncertainties, lockdowns and panic paralyzed most economic activities in both developed and developing economies. The pandemic has exposed the systemic vulnerability of the world economy.

World gross product fell by an estimated 4.3% in 2020, the sharpest contraction of global output since the Great Depression. The pandemic hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.5% in 2020.

Activity is expected to strengthen in the second half of 2021 and further from next year, as improved COVID-19 management aided by ongoing vaccination allows for an easing of pandemic control measures. Global economic output is expected to expand 4% in 2021 but remains more than 5% below pre-pandemic projections. Global growth is projected to moderate to 3.8% in 2022, weighed down by the pandemic's lasting damage to potential growth. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination. (Source: World Bank)

Indian Economy Overview

The Indian economy was negatively impacted by the unprecedented health crisis. India undertook several measures to reign in the virus including lockdowns, economic packages and ramping up health infrastructure in the country. The Economic Survey projected that the economy would grow at 11% in the coming year, up from an estimated historic decline of 7.7% in 2020-21 and as compared to a growth of 4.2% in 2019-20. The crisis is far from over as India is dealing with a severe second wave. With the opening of the vaccination program, India hopes that it will tide over the second wave in due course. (Source: India Macro-economic framework)

Digital India

Internet penetration has been rising significantly in India for the last few years along with a surge in data consumption. The exponential rise in machine-readable digital data emanating from the digital footprint of activities ranging from personal to social to business lies at the heart of the digital economy. India's digital economy is expected to get augmented further by, strong capital flows, a conducive policy environment, affordability with the lowest data price globally and expected ramp-up in digital infrastructure including telecom networks, data centers, manufacturing of digital devices and scaling up of digitally skilled talent pool.

The coronavirus has permanently reshaped the way we live and work. Some of the behaviors developed in crisis, including wide-scale digital adoption, will outlast the pandemic, well after restrictions on activity are lifted. The pandemic accelerated

three groups of consumer and business trends that are likely to persist: remote work and virtual interactions, e-commerce, digital transactions, deployment of automation and AI. Organizations are focusing now on leveraging advanced analytics to extract insights from their customer data and continue internal and external data integration efforts to develop a more holistic view. Detecting those signals of change early will be crucial to optimizing the customer experience and redefining customer value propositions in line with evolving preferences and needs. (Source: Mckinsey.com, dtnext, ICICI securities)

As of August 2020, the number of internet connections in India significantly increased to ~760 million, driven by the 'Digital India' program. Out of the total internet connections, ~61% of connections were in urban areas, of which 97% connections were wireless. Internet penetration in rural India is expected to grow at a rate of 45% by 2021 compared to the current rate of 22%. The number of active internet users in the country is the second highest globally and is also one of the largest data consumers globally. (Source: IBEF)

There are around 1.10 billion mobile connections in India, as of Jan 2021. The number of mobile connections in India increased by 23 million, up by 2.1% year-on-year in Jan 2021. The number of mobile connections is equivalent to 79% of the total population. The massive digitalization that the country witnessed in 2020 triggered by the Covid-19 pandemic has captured India as the leading mobile-first consumer economy. India has the highest data usage per smartphone at an average of 10.40 GB per month. There are around 448 million social media users in India (as of Jan 2021). The number of social media users in India increased by 78 million between 2020 and 2021. India accounted for around 14% of global app installations in 2020. The growth rate of app downloads in India is four times higher than the global average. The country stood next to Indonesia in terms of average time spent on mobile with a 37% spike in usage. Several new categories of apps such as health and fitness, gaming, entertainment, long-form and short-form video content, hyperlocal delivery and learning and education gained importance in the year. (Source: IBEF, Datareportal.com, ICICI Securities)

The Indian internet sector is at an inflection point to witness hyper-growth in the coming years as we see tech companies steadily disrupting the traditional services by eliminating "middlemen", delivering faster, cheaper and more convenient products & services. As most Indians have started shopping online rather than stepping outside their houses, the Indian e-commerce sector witnessed an increase. Indian e-commerce is expected to reach US\$ 99 billion by 2024, growing at a 27% CAGR over 2019-24, with grocery and fashion/apparel likely to be the key drivers of incremental growth. Online penetration of retail is expected to reach 10.7% by 2024, versus 4.7% in 2019. Online shoppers in India are expected to reach 220 million by 2025. (Source: IBEF, Datareportal.com)

India is in the middle of an unprecedented startup funding boom. The year 2021 has already seen as many unicorns or billion-dollar firms, as all last year, with many more to come. India currently has around 100 unicorns, with eight created in the first quarter of 2021, and it is easy to believe that a billion-dollar startup is the new normal. A Credit Suisse Group AG report found there are about 100 unicorns in India with a combined market value of \$240 billion, in sectors from e-commerce and fintech to education, logistics and food delivery. The Covid-19 pandemic has accelerated the adoption of online technologies in India, perhaps even more than in other countries. A supportive government, tech-savvy young population, ongoing digitization of SMEs and a well-funded PE/VC ecosystem, suggest an attractive investment space in coming years with several Indian tech start-ups have stated in media that they are keen to IPO in the next 1-2 years. (Source: IBEF, Money Control, BofA)

Matchmaking in India

The pandemic changed the way people search for life Partners, with an increase in virtual ways of connecting with prospective partners. The Online Matrimony Trends Report 2020 stated that with people stuck to their homes for most of the year, online matrimony witnessed some interesting moments. Nearly 4 Million members expressed their interest more than 1.5 Billion times, to profiles they liked, during the year 2020. It was clear that Covid-19 did not stop ready-to-marry singles, both men and women, from connecting digitally and pursuing their conversations in search of a life partner. Singles are increasingly deciding to search for a life partner on their own, with more than 70% of the nearly 4 Million singles self-registering. The top 5 cities in terms of registration by singles were Mumbai, Delhi, Bengaluru, Hyderabad and Chennai. The location did not seem to be very important as 77% of men and 80% of women were perfectly fine with finding a life partner settled in any location within India

or overseas. Women have been increasingly taking the marriage decision into their hands as can be seen from the fact that the active expression of interest to male members saw an amazing 30% increase. There's also been a 24% increase in acceptance of interest from male members.

Marriage Services in India

The marriage Services segment was adversely affected by the Pandemic. The Indian Wedding Industry, which is estimated at around \$50 billion, witnessed a major slow down due to lockdown and restrictions on gatherings. However according to estimates, Indian weddings will return with a spike in growth in coming years and are expected to continue to be bigger once virus threat is down to be negligible. The Indian wedding market is ever-growing and has multiplied in past few years. Since social distancing is the need of the hour, there is a behavioral shift towards choosing the wedding venues. People opt for bigger and open wedding venues or prefer small banquet which can accommodate only immediate family members. The wedding Industry which includes many vendors in segments of venue bookings, photography, catering, decorations, etc. has adopted and emerged stronger with newer digital ways to cater to in during the pandemic era. (Source: Statistica.com, Outlook, Cencus, apnews, Zeebiz, ForbesIndia, BusinessWorld, The Hindu, Business Insider)

Strengths and Opportunities

Leader in an underpenetrated market and strong consumer brand: Matrimony.com continues to hold two decades of market leadership in Matchmaking services. The company delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by on-the-ground network in India. As of 31 March 2021, the paid profiles were 0.84 million, which was higher by 18.86% from the last year, mainly due to an increase in the number of free profiles and improved operational efficiencies. The company has around 60% Market share in the online match-making space in India. Bharatmatrimony.com has been awarded 'India's most trusted online matrimony' by Brand Trust Report India Study 2014 and conferred with the prestigious 'Super Brand 2019' status by leading independent brand arbiter Super Brands India.

Product features that differentiate the company: Matrimony.com differentiates by following a micro-market strategy by offering a range of targeted and customized products and services that are tailored to meet the requirements of customers based on multi-dimensional preferences as well as personalized matchmaking services through EliteMatrimony and Assisted Service package. A strong emphasis is placed on women safety. Various initiatives to enhance privacy for our women profiles have been launched including SecureConnect. SecureConnect is a pioneering feature that enables women to take control of their privacy and safety while searching for a life partner, a first of its kind for matrimony sites. With 'Who Can See Me', profile is seen and contacted only by matches who meet preferences. A slew of new features, such as live video-calling and home weddings were rolled out for users during this financial year. BharatMatrimony, the flagship brand of Matrimony.com, tied up with rating agency Crisil for wedding services platform WeddingBazaar to provide an extra layer of trust and credibility to the consumers in terms of reliable wedding service providers. A one-size-fits-all pricing mechanism was also done away with, bringing in separate pricing based on a host of factors, including the socio-economic background of the users. Over the two decades we have evolved as a strong consumer internet company, backed by robust technology. From Mobile apps to modernizing the data centre in the early period to automation powered by Artificial Intelligence (AI) and Machine Learning (ML), deployment of Big Data Platform and Analytics database, we have sure made big strides in technology.

Digital Penetration and market opportunity: India is known for its young population with 41% of the population being under 18, and around 27.6% population aged between the 25-44 age bracket. Out of which, 72.18% reside in Rural areas whereas 27.82% reside in urban areas. With the hyper growth witnessed in the digital penetration in India and with only around 10-12% penetration in online matchmaking services there is a huge opportunity to cater to in the coming years. We are well geared to address this potential by strengthening our position in all markets with further impetus to Tier 2 and Tier 3 cities which are fast growing, increase traction with NRI markets by having country specific profile targets and marketing initiatives.

Threats, Risks and Concerns

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

Financial Performance

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

| | FY2020-21 | % to total | FY2019-20 | % to total | Growth % |
|--|------------------|-------------------|------------------|-------------------|-----------------|
| | Rs Lakhs | income | Rs Lakhs | income | |
| Revenue from Operations | 37,787.90 | 99.20% | 37,183.53 | 99.59% | 1.63% |
| Other income | 304.84 | 0.80% | 152.98 | 0.41% | 99.27% |
| Total income | 38,092.74 | 100.00% | 37,336.51 | 100.00% | 2.03% |
| Expenses | | | | | |
| Employee benefit expenses | 12,725.87 | 33.41% | 15,346.38 | 41.10% | (17.08%) |
| Advertising and business promotion expenses | 13,728.32 | 36.04% | 10,343.41 | 27.71% | 32.73% |
| Other expenses | 4,580.45 | 12.02% | 6,044.43 | 16.19% | (24.22%) |
| Total expenses | 31,034.64 | 81.47% | 31,734.22 | 85.00% | (2.20%) |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 7,058.10 | 18.53% | 5,602.29 | 15.00% | 25.99% |
| Depreciation & amortization | 2,593.08 | 6.81% | 2,796.36 | 7.49% | (7.27%) |
| Finance cost | 482.52 | 1.26% | 524.95 | 1.41% | (8.08%) |
| Finance income | 1,440.62 | 3.78% | 1,632.95 | 4.38% | (11.78%) |
| Profit before tax and share of profit/ (loss) from associate | 5,423.12 | 14.24% | 3,913.93 | 10.48% | 38.56% |
| Share of profit/ (loss) from associate* | (57.19) | (0.15%) | (6.28) | (0.01%) | 810.67% |
| Profit before tax (PBT) | 5,365.93 | 14.09% | 3,907.65 | 10.47% | 37.32% |
| Tax Expense | 1,288.54 | 3.39% | 954.17 | 2.56% | 35.04% |
| Profit after tax (PAT) | 4,077.39 | 10.70% | 2,953.48 | 7.91% | 38.05% |

*In February 2020, the company acquired a 26.09% stake in Astro-Vision, the promoter of clickAstro.com. Accordingly, Astro-vision has been treated as an Associate under INDAS 28 and accounted for this investment under the equity method effective 11 February 2020

Revenue: Overall revenue grew by 1.63% for the year. The revenue distribution is through two segments such as Matchmaking and marriage services. The segment wise performance is given in table later in the discussion. Matchmaking comprises 99.43% of revenues and grew by 4.24% in FY21 as compared to a growth of 7.35% in FY20. However, matchmaking billings grew by 7.45% in FY21 as compared to 4.07% in FY20. The key drivers for this business are number of paid profiles and Average Transaction Value (ATV). The paid profiles are at 8.37 lakhs, an increase of 18.86% over the previous year. ATV is at Rs 4,578, a decrease of 9.54% over the previous year. The company typically has subscription packages ranging 3 months, 6 months and 1 year and the subscription billings are recognized as revenue over the subscription period.

Other income: Other income mainly includes Government grants received under Pradhan Mantri Rojgar Protsahan Yojana (PMRPPY) scheme for incentivizing employers for generation of new employment, reversal of impairment on assets held for sale and notional gain from closure of leased locations accounted under Ind AS 116 "Leases", which has increased by 99.27 %.

Expenses:

Employee benefit expenses: Employee benefit expenses have decreased by Rs 2,620.51 lakhs mainly due to operational efficiency measures during FY 21.

Advertising and Promotion expenses: We increased our marketing initiatives significantly during the year by Rs 3,384.91 lakhs, comprising both online and offline segments. These are on-going investments to fuel future growth and increase brand visibility.

Other expenses: Other expenses mainly comprise of IT, infrastructure, admin, legal and professional fees which have decreased by Rs 1,463.98 lakhs. This was mainly due to decrease in infrastructure and admin costs (Rs. 436.09 lakhs), decrease in expenses in IT related costs (Rs 102.50 lakhs), decrease in travelling expenses (Rs 310.83 lakhs), decrease in photography expenses due to scaling down of the business and adopting a market-place model (Rs 364.69 lakhs), decrease in Legal and professional fees including Director's sitting fees and commission (Rs 197.61 lakhs), decrease in PF & Service tax demand and interest (Rs 106.86 lakhs) and decrease in impairment allowance on financial assets (Rs. 70.55 lakhs). This was offset by increase in CSR expenses (Rs 67.80 lakhs) and Foreign Exchange Loss (Rs 57.35 lakhs). Overall, as a % of revenue it has reduced to 12.02% in FY 21 from 16.19% in FY 20. Given the pandemic, the company undertook a host of cost savings measures especially in infrastructure costs which involved waiver and reduction of rentals during the lockdown phases and reducing retail outlets that are loss making.

EBITDA margins: Our EBITDA margins are at 18.53% as compared to 15% in FY20, indicating an increase of 25.99%.

Finance income: Finance Income consists mainly income from investments of surplus funds in fixed deposits and mutual funds. The decrease in income is due to fall in interest rates during the year.

Finance cost: Finance cost mainly consists of notional interest on lease liabilities charged to PL as per Ind AS 116.

Effective Tax Rate (ETR): The effective tax rate is at 24.01% in FY 21 as compared to 24.42% in FY20.

Profitability: Our PAT margins are at 10.70% as compared to 7.91% in FY20, indicating an increase of 38.05%

Segment performance

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

| Revenue | FY 2020-21 (Rs lakhs) | FY 2019-20 (Rs lakhs) |
|----------------------|------------------------------|------------------------------|
| Matchmaking Services | 37,572.25 | 36,044.35 |
| Marriage Services* | 215.65 | 1,139.18 |
| EBITDA | | |
| | FY 2020-21 (Rs lakhs) | FY 2019-20 (Rs lakhs) |
| Matchmaking Services | 8,972.84 | 8,421.52 |
| Marriage Services* | (963.23) | (1,699.37) |

*Due to the pandemic this business was significantly impacted. The company focused its efforts to building the business model to a subscription-based model and enriching the eco-system along with cost optimization measures. Therefore, the losses reduced considerably in FY21 as compared to FY20. Further in FY20, the company decided to scale down the photography business and look at a revised market-place model, thereby reducing the photography expenses.

Key ratios

The company has identified the following ratios as key ratios:

| | FY 2021 | FY 2020 |
|---------------------|---------|---------|
| EBITDA margin | 18.53% | 15.00% |
| Net profit margin | 10.70% | 7.91% |
| Return on Net worth | 16.59% | 13.70% |

Cash flows

The company generated Rs 7012.77 lakhs of cash during the year taking the cash balance at 31 March 2021 to Rs 28,490.82 lakhs. The company spent Rs 986.04 lakhs as capital expenditure during the year. The EBITDA to operating cash flow conversion has been strong at 0.99 times and EBITDA to free cash flow is at 0.85 times.

Headcount

The total number of employees (excluding subsidiaries and associate) as at 31 March 2021 is at 3,505 as compared to 4,316 as at 31 March 2020

Strategy and Outlook

COVID-19 impact:

The company started seeing an impact on billing in the last 2 weeks of March 2020 in the matchmaking business. This affected the business in Q1 of FY21, where we declined 7.50% y/y and 14.32% q/q. However due to our strong BCP measures that complimented the work from home initiatives and our renewed strategies towards customer focus, we were able to bounce back from Q2 with a consistent y/y double digit growth. We saw big uptick in paid profiles and our most competitive markets also demonstrated a robust growth. This was also supplemented by many measures towards operational efficiency, that also resulted in a significant growth in profitability in FY21. The marriage services business had a higher impact due to lower consumer demand and the muted scale of weddings that took place in India due to lockdowns. We utilized this time to build the eco system and enhanced operational efficiency and reduce the losses considerably.

The key strategic initiatives in FY 2022 are:

- Evaluate the needs of vernacular users and explore providing a vernacular product
- Provide more focus to our personalized services through product enhancements and higher service levels
- Evaluate entry into certain global markets
- Continue to invest in differentiated product offerings and emerging technologies to bring in sharper customer focus
- Enhance the gained momentum in the North and West markets through differentiated strategies

Risk Management Report

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

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

| Nature of Risk | Risk Description | Risk Mitigation |
|-----------------------------|--|--|
| Business risk | Prolonged COVID surge can hamper operations, employee morale, create fatigue and consequently affect growth. | We will use the learnings of last year where we implemented many measures to demonstrate growth. However, the risk cannot be fully negated as it involves the health and mindset of people. If the COVID risk prolongs, marriage services momentum will be subdued. We have enhanced processes, sales team and moved to a subscription model that can add value to the eco system |
| Competition landscape | Competition can significantly affect our pricing, business models and product features and including new players | As part of our strategy, we have implemented many measures around profile growth, enhancing marketing effectiveness and increasing value proposition to our customers by intelligent segmentation. We have demonstrated uptick in paid volumes in a tough year. We strongly believe that price alone cannot be a differentiator in the long run. Therefore, our investments towards product differentiation, technology will address these challenges. We are also creating more awareness and repurposing and optimizing spends. We have started to see additional traction in competition such as dating services which will require close monitoring. |
| IT and Information Security | Network failure and data breach can damage brand reputation. | Periodic audits through internal audit mechanism helps us to detect and proactively put in measures in place. We have also further strengthened the areas by conducting independent studies in information security and have implemented many of the recommendations. Our BCP through technology interventions is working well considering the work from home is effective during the current COVID-19 situation. |

Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of LODR]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | | | | |
|----|---|--|-------|-----------|--|
| 1 | Corporate Identity Number (CIN) of the Company | L63090TN2001PLC047432 | | | |
| 2 | Name of the Company | Matrimony.com Limited (hereinafter referred to as “Matrimony”) | | | |
| 3 | Registered address | No.94, TVH Beliciaa Towers, Tower II, 5th Floor, MRC Nagar, Raja Annamalaipuram, Chennai – 600028 | | | |
| 4 | Website | www.matrimony.com | | | |
| 5 | E-mail id | investors@matrimony.com | | | |
| 6 | Financial Year reported | 2020-21 | | | |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Group | Class | Sub class | Description |
| | | 631 | 6312 | 63121 | Matchmaking and allied services through operation of websites and extensive data bases |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | 1. Matchmaking Services 2. Marriage Services and related sale of products | | | |
| 9 | Total number of locations where business activity is undertaken by the Company | 153 locations inclusive of head office, 14 branch offices, 3 business centres and 135 retail outlets. | | | |
| 10 | Markets served by the Company | The Company serves markets in India and operates through subsidiaries in USA & Dubai catering to the needs of NRI customers residing across the world. | | | |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|--|
| 1 | Paid up Capital - Rs. In lakhs | Rs. 1,143.58 |
| 2 | Total Turnover - Rs. In lakhs | Rs. 37,277.81 |
| 3 | Total profit after taxes - Rs. In lakhs | Rs. 4,096.13 |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 3.63% Refer Directors report page nos. 35-38 for further details |
| 5 | List of activities in which expenditure in 4 above has been incurred | Refer page nos. 35-38 of the Directors report |

SECTION C: OTHER DETAILS

| | | |
|---|--|---|
| 1 | Does the Company have any Subsidiary Company/ Companies? | Yes. The Company has three wholly owned subsidiaries namely 1. Sys India Private Limited 2. Consim Info USA Inc, USA 3. Matrimony DMCC, Dubai |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | All the subsidiary Companies are engaged as agents of the parent Company which do not have separate business of its own. Matrimony defines the code of conduct of business ethics which is applicable to all the subsidiary companies also. All the companies abide by the code of business ethics wherever applicable. |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | Though the suppliers, distributors etc, do not take part in the business responsibility initiatives of the company, all the entities that deal with Matrimony are contractually bound to abide by Company's code of conduct, which contain the basic principles and rules for conduct which is extended to its external partners. |

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

| | | |
|---|-------------|------------------------------|
| 1 | DIN Number | 00605009 |
| 2 | Name | Murugavel J |
| 3 | Designation | Chairman & Managing Director |

(b) Details of the BR head

| | | |
|---|------------------|-------------------------------|
| 1 | DIN Number | 00605009 |
| 2 | Name | Murugavel J |
| 3 | Designation | Chairman & Managing Director |
| 4 | Telephone Number | 044-3095 3095, 044- 4900 1919 |
| 5 | E-Mail ID | compliance@matrimony.com |

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. They are:

| | |
|----|---|
| P1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. |
| P3 | Businesses should promote the well-being of all employees. |
| P4 | Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. |
| P5 | Businesses should respect and promote human rights. |
| P6 | Businesses should respect, protect and make efforts to restore the environment. |
| P7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |
| P8 | Businesses should support inclusive growth and equitable development. |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner. |

2. Principle-wise (as per PVGs) BR Policy / Policies

(a) Details of compliance (Reply in Y/N) *

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|--|--|---|---|---|---|--|---|---|
| 1 | Do you have a policy/policies for BR Principles? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Does the policy conform to any national/ international standards? If yes, specify? (50 words) | The policies are in compliance with national laws as applicable. The policies are in line with respective principles of National Guidelines on Responsible Business Conduct (NGRBC) and National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) as issued by Ministry of Corporate Affairs, Government of India, in July 2011. | | | | | | | | |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 | Indicate the link for the policy to be viewed online? | Refer to the Policy on Vigil Mechanism & Whistleblower, (available on https://www.matrimony.com/investors/policies) | Refer to the Business Responsibility policies (available at https://www.matrimony.com/investors/policies) | Refer to the Business Responsibility policies (available at https://www.matrimony.com/investors/policies) | Refer to the Business Responsibility policies (available at https://www.matrimony.com/investors/policies) | Refer to the Business Responsibility policies (available at https://www.matrimony.com/investors/policies) | Refer to the Business Responsibility policies (available at https://www.matrimony.com/investors/policies) | Refer to the Code of Conduct Board & Senior Management (available on https://www.matrimony.com/investors/policies) | Refer to Corporate Social Responsibility policy (available at https://www.matrimony.com/investors/policies) | Refer to the Business Responsibility policies (available at https://www.matrimony.com/investors/policies) |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies have been communicated to employees through the Intranet and external stakeholders through the Company's website (www.matrimony.com) | | | | | | | | |
| 8 | Does the company have in-house structure to implement the policy / policies. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | No | The Whistle Blower & Vigil Mechanism adopted by the Company, provides employees/ Customers/Vendors/Contractors etc. to report any concerns or grievances pertaining to any potential or actual violation of Company's Code of Conduct or any unethical behaviour. The Company has appointed designated Grievance Officer for the business where a stakeholder can raise their concerns. Similarly designated officer has been appointed for handling shareholders grievances | | | | | | | |

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|---|----|----|----|----|----|----|----|----|----|
| 1 | The company has not understood the Principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Annually. The hyper link for viewing the report is https://www.matrimony.com/investors/annual_report.php

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

Our Corporate Governance Policies extend and cover all stakeholders. At Matrimony, we believe in performing well by doing right things. The Company has adopted the Code of conduct which guides its employees and directors to conduct business in an ethical, responsible and transparent manner. The code extends to wholly-owned subsidiaries of the Company including business associates. All internal & external stakeholders are expected to work within the framework of the Code of the Company. The Company has zero tolerance approach toward bribery and corruption. The code of conduct enables employees to avoid situations in which their personal interests may conflict or appear to conflict with the interest of the Company or its customers. The gifts received by employees beyond the value of Rs. 1000/- are considered as conflict of interest and such acceptance of the gifts otherwise than as stated in the policy is strictly prohibited. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in its work contracts to which they are obligated. The contracts include clauses in relation to anti-corruption law, confidentiality, human rights etc. The code of conduct is further supported by Vigil Mechanism, which is being governed by Whistle Blower Policy. Objective of the Policy is to establish no threat window whereby an individual, who is aware of any Protected Disclosure in the Company, is able to raise it to the appropriate channel as outlined in the policy, to ensure appropriate and timely institutional response and remedial action and offer protection to such individual from victimization, harassment or disciplinary proceedings. The Company has appointed a senior official of the Company as Ombudsman and the Policy & Mechanism is directly monitored by the Chairman of the Audit Committee.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Matrimony Stakeholders include its Employees, Business Associates, Community, Shareholders/Investors and Customers. The Company being in service industry does receive customer queries/ feedback/assistance calls, from time to time, which are duly attended to & addressed to their satisfaction. A total of 3 legal complaints were received during the financial year. The complaints are being addressed based on the merits.

No complaint has been received under Whistle Blower Policy. During the year under review 1 complaint was received from Shareholders for non-receipt of documents which was resolved to the satisfaction of the shareholders.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The Company aims to have negligible negative impact on the environment by identifying ways to optimise resource consumption in its operations, although the very nature of the businesses of the Company has limited impact on environment. To ensure optimal resource consumption, we have incorporated environment friendly installations such as energy efficient equipments etc. Also, the very nature of the business operations of the Company being Internet Services i.e providing online matrimonial matchmaking services through various webportals, all the registrations under the said portals are done digitally without much usage of any paper application form. Not only does the aforesaid is making positive social impact, but environmental impact also, using the Internet and thereby reducing the use of limited natural resources.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable. The nature of services rendered by the Company have very limited impact on environment. Further, the Company does not manufacture/produce any products.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Matrimony, being a pure play consumer internet Company, is relatively less resource intensive in terms of material inputs. However, as a responsible corporate citizen, the Company endeavours to reduce the environmental impact of its operations by tracking the consumption of resources critically. As part of the Company's operations, a small amount of e-waste is generated by the Company which is dealt with as per the laws.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The nature of Company product is service oriented and not material resource intensive and the Company does not procure goods for further processing. The Company's criteria for selection of goods and services is reliability, quality and price. The manpower services as required from time to time for various locations of the Company are generally hired from local agencies wherever possible.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The nature of Company's products is service oriented and not material resource intensive and hence recycling of products is not applicable for the Company's products. There is negligible waste generation at Company's offices. However, the Company has procedures in place to dispose of e-waste through authorised e-waste vendors.

Principle 3: Businesses should promote the wellbeing of all employees

- Please indicate the Total number of employees: 3505
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: NIL
- Please indicate the Number of permanent women employees. : 1893
- Please indicate the Number of permanent employees with disabilities: NIL
- Do you have an employee association that is recognized by management : No
- What percentage of your permanent employees is members of this recognized employee association? : NIL
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

| No. Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---|--|--|
| 1 Child labour/forced labour/involuntary labour | - | - |
| 2 Sexual harassment | 1 | - |
| 3 Discriminatory employment | - | - |

Note: The Company had actually received three complaints under POSH. However, two complaints were dismissed as not POSH by the internal compliance committee considering the nature of the complaint.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

The year of 2020 brought along with many challenging situations- one of them being how do we train and upskill our employees. Simple, we went virtual. Right from induction programs to refreshers to skill programs were converted to suit a virtual training medium. Trainings were conducted via zoom, webex and other such platforms. Not only that, we also organised many relevant webinars on 7 Habits, managing remote teams etc. We launched a special initiative -Leader's Talk where leaders from matrimony shared their learnings, their experiences with the team. Given the nature and complexity of the situation we had a continuous communication on the on-going Covid-19 pandemic. We built awareness on the Covid-19 symptoms, precautionary measures, Do's and Don'ts, social distancing, importance of wearing masks, guidelines to be followed when returning to office etc.

| | |
|--|-----|
| (a) Permanent Employees | 83% |
| (b) Permanent Women Employees | 70% |
| (c) Casual/Temporary/Contractual Employees | NIL |
| (d) Employees with Disabilities | NIL |

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Matrimony carries out continuous interaction and engagement with all Internal & External stakeholders including the disadvantaged, vulnerable and marginalized stakeholders in accordance with the Stakeholder Engagement Policy of the Company.

Brief of stakeholder engagement is as below:

1. Employees Stakeholder Group:

- a. The Company has processes in place to uphold the rights of all the employees and protect them from any kind of discrimination.
- b. Employees' Surveys are conducted periodically- e.g. HR Survey
- c. Various learning and development activities/ trainings are held to ensure skill enhancement of all the employees.

2. Business Associate Stakeholder Group:

Various one-on-one meetings are held with the vendors of the Company to ensure continuous interaction with them.

3. Community Stakeholder Group:

The Company through its CSR initiatives focuses on Education, Women and Children (underprivileged) empowerment, Training and empowering people with disabilities thereby creating employment opportunities, Rehabilitation Services, Sustainable Livelihood- Vocational Skills.

4. Shareholders/ Investor Stakeholder Group:

- a. The Company attends various Investor/Analysts Meets, holds Investor Calls etc. and transcripts of quarterly calls are available on the portal of the Company.
- b. Company also interacts with the shareholders/ Investors through Newspaper Publications, Stock Exchange disclosures, Annual Reports etc.

5. Customer Stakeholder Group:

The Customers/ Clients of the Company are expected to work within the framework of the Code of Ethics & Conduct of the Company. Respective Business portals has toll free number, through which a customer can approach the Company.

Principle 5 : Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's policy on Human Rights lays non-discrimination among employees, meritocracy and mechanisms for redressal of employee issues applies across the Company and its subsidiaries. Matrimony is committed to ensure that people are treated with respect and dignity. Our respect for human rights guides our policies and practices dealing with our operations, partnerships, contracts and investment agreements. While mutual agreements assure stakeholders such as vendors and suppliers of protection against human rights violations, all our employees are introduced to these policies during induction. All employees and contractual staff is empowered to report any incident of discrimination and harassment. The Company does not employ child labour. We have grievance redressal channels to deal with issues related to discrimination, retaliation and harassment. The Company has constituted an Internal Committee to address complaints of sexual harassment raised by employees. There is an effective whistle blower mechanism put in place by the Company which is managed by an ombudsman appointed internally to provide complete anonymity and confidentiality. Also, we, at Matrimony, encourage its Business Partners to follow the policy. We discourage dealing with any supplier/contractor if it is in violation of human rights, and also prohibit the use of forced or child labour.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No incidence of discrimination or human rights violation was received by the Company or was pending investigation as on March 31, 2021. The company received 1 sexual harassment complaint from the employees during the year. Internal committee investigated the matter and suitable action taken against the employees involved in the harassment as per the guidelines. The details are well explained in Principle 3.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The aspects outlined under this principle are not substantially relevant to the Company given the nature of its business. The Company complies with the applicable environmental regulations in respect of its premises and operations. Also, the Company participates in initiatives towards addressing environmental issues.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc

The Company has always been striving towards imbibing green sustainable products, processes and practices. The Company continuously endeavours to reduce the environmental impacts of its own operations. The Company focuses on improving energy efficiency, use of renewable energy, procurement of greener products and waste recycling. The Company aims to reduce the impact on the environment by identifying ways to optimise resource consumption in its operations although the very nature of the businesses of the Company has limited impact on environment.

To ensure optimal resource consumption, we have incorporated environment friendly installations such as energy efficient equipment including:

1. Replacement of conventional lights to LED lights in the offices across all the locations.
2. Automatic server and desktop shutdown, to reduce consumption of energy, in addition to constant mailers to remind & encourage energy saving.

3. Initiatives to reduce usage of paper and consumption and promotion of recycle.
4. Responsible e-waste disposal.
5. Usage of Video Conferences, Video/ Audio chatting to reduce emissions as a result of travel.
6. Company encourages car pool to save fuel & reduce pollution, thereby protecting the environment.

3. Does the company identify and assess potential environmental risks? Y/N

Though the very nature of the businesses of the Company has limited impact on environment, the Company continuously aims to reduce even the limited impact on the environment by identifying ways to optimise resource consumption in its operations. The Company understands the potential environmental risks and participates in initiatives as mentioned above to address the environmental concerns. We also comply with applicable environmental regulations, wherever applicable, in respect of its premises and operations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is fled?
Not applicable

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N.
If yes, please give hyperlink for web page etc.
Please refer paragraph 2 above

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Not applicable

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There was no legal notice received during the year that remain outstanding as on March 31, 2021

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, it is a part of NASSCOM, Internet and Mobile Association of India (IAMAI), Confederation of Indian Industry and Chamber of Commerce.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Matrimony believes that it is necessary to represent to and engage with authorities on matters concerning the various businesses in which Company operates. The engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and need to balance interests of diverse stakeholders.

Accordingly, the Company shares its views/comments on proposed policy formulations through appropriate forums whenever required on matters relating to its business including but not limited to Security Policy, Cyber Crimes, etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has put in place Policy on Corporate Social Responsibility to guide its efforts on CSR initiatives that contribute to inclusive growth and equitable development. Matrimony CSR Policy outlines the Company's philosophy & the mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large as part of its duties as a responsible corporate citizen. For detailed information relating to list of activities in which contribution in 4 below has been incurred, please refer the Annual Report on CSR Activities on page nos 35-38 of the Directors' Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Company engages with NGOs/other organisations/Trusts along with its in-house team to ensure that the Company achieves its vision of promoting inclusive growth.

3. Have you done any impact assessment of your initiative?

The Company follows a systematic approach to review the performance of the programmes on a regular basis. The CSR Programmes/projects are monitored and reviewed periodically by the Corporate Social Responsibility Committee.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company had earmarked Rs. 148.68 lakhs towards various CSR initiatives during the year 2020-21. For detailed information relating to list of activities in which expenditure above has been incurred, please refer the Annual Report on CSR Activities on page nos 35-38 of the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Matrimony's CSR initiatives are rolled out directly or in partnership with non-profit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Company's Representatives track the reach and take necessary steps to make it successful. Further, the CSR projects are evaluated by the CSR Committee to ensure maximum impact of their initiatives.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

There are no customer complaints which will have any major business impact. There are 24 Consumer cases pending at the end of the financial year which constitutes 96 percent. Due to pandemic, the resolution to the above disputes could not be completed on time.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

Since the Company is not into manufacturing of products (packaged commodities), the requirement of displaying product labelling is not applicable to its service offerings directly to its products. The Company enables its customers to make informed

decisions about the different products by providing them correct and transparent information. The product features and price/charges are informed to the customers before the transaction. Product information is also available on the respective business portals of the Company.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

The Company recognises that constant feedback is vital in providing great services. The Company on a continuous basis measures satisfaction levels of customers. Facilities are provided to customers in the respective portals, where a customer can freely give its feedback on the services being offered by the Company. Necessary and time bound corrective actions are taken by the Company to improve customer experience.

Independent Auditor's Report

To the Members of Matrimony.com Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Matrimony.com Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| (a) Accuracy and completeness of Matchmaking Revenue <i>(as described in Note 2.3(h) and Note 21 of the Standalone Ind AS financial statements)</i> | |
| Matchmaking services revenues of the Company for the year ended March 31, 2021 constitutes a significant percentage of the total revenue and majority of such revenues are generated through online services. The Company has processes and controls, many of them automated, to ensure that transactions are processed and recorded appropriately. | As an audit response to address this matter, we performed a walk-through to gain an understanding of the revenue process (including the compliance with revenue recognition requirements of Ind AS 115) to develop an appropriate audit strategy and performed following procedures: |
| Improper configuration of the IT systems or system generated reports could lead to material misstatement of revenues, accordingly we identified the above as a significant risk in our audit. | <ul style="list-style-type: none"> Involved IT specialists to test relevant IT general controls, application controls and appropriateness of system generated reports; Tested relevant manual and IT dependent controls relating to revenue process including the controls relating to data migration between the operational system and financial accounting system; Tested the completeness and accuracy of the data extracted from the aforesaid systems and performed recalculations to verify the appropriateness of revenue recognized (including cut off procedures) on a test basis; Tests of details for the sample revenue transactions; Assessed the reconciliation of unearned revenue and collections performed by the management and performed sample tests on the same; Read the accounting policies for revenue recognition in the financial statements; Performed analytical procedures over disaggregated data of revenue transactions during the audit period to identify any unusual trends / patterns warranting additional audit procedures; and Read the disclosures made by the management in the financial statements; |
| Therefore, we considered this risk to be a key audit matter in our audit of the financial statements for year ended March 31, 2021. | |

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

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

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section

133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 36 (c) to the Standalone Ind AS financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

UDIN: 21221268AAAACW8867

Place of Signature: Chennai

Date: May 11, 2021

ANNEXURE 1 REFERRED TO UNDER PARAGRAPH 1 OF THE REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF THE AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (b) All Property, Plant and Equipment 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 paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us and audit procedures performed by 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, there are no loans, guarantees and securities granted in respect of which provisions of Section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of Section 186, in respect of investments made have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 and 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the Provisions of clause 3(v) of the Order are not applicable.
- (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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been delays in few cases of remittance of goods and services tax, professional tax and labour welfare fund dues.
- (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, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other 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 of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount* (in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|--------------------------|--------------------|--------------------|------------------------------------|--|
| The Income tax Act, 1961 | Income tax | 319.18 | FY 2007 -08 & FY 2008-09 | High court |
| The Income tax Act, 1961 | Income tax | 387.88 | FY 2011-12 to FY 2014-15 | Income Tax Appellate Tribunal |
| The Income tax Act, 1961 | Income tax | 77.96 | FY 2015-16 to FY 2017-18 | Commissioner of Income tax (Appeals) |
| The Finance Act, 1994 | Service Tax | 350.14 | FY 2008-09 to FY 2012-13 | Customs, Excise and Service Tax Appellate Tribunal |

* Does not include interest and penalty

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

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

Place: Chennai

Date: May 11, 2021

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 Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Ind AS

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

Place of Signature: Chennai

Date: May 11, 2021

This page is intentionally left blank

Standalone Balance Sheet

as at March 31, 2021

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

| | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|--------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 7,016.75 | 7,283.89 |
| Right of use assets | | 5,346.84 | 5,689.99 |
| Intangible assets | 3 | 294.63 | 327.94 |
| Intangible assets under development | | - | 6.62 |
| Investment in subsidiaries and associate | 4 | 626.05 | 626.05 |
| Financial assets | | | |
| (a) Security deposits | 5 | 590.81 | 852.35 |
| (b) Bank balances other than cash and cash equivalents | 7 | 0.75 | 0.75 |
| Deferred tax assets (net) | 13 | 195.18 | 181.10 |
| Income tax assets (net) | | 326.15 | 344.86 |
| Other non-current assets | 11 | 251.80 | 149.08 |
| | | 14,648.96 | 15,462.63 |
| Current assets | | | |
| Financial assets | | | |
| (a) Security deposits | 5 | 412.66 | 199.60 |
| (b) Cash and cash equivalents | 6 | 492.52 | 198.33 |
| (c) Bank balances other than cash and cash equivalents | 7 | 19,088.76 | 11,014.03 |
| (d) Investments | 9 | 8,501.23 | 12,035.03 |
| (e) Trade receivables | 10 | 748.31 | 216.79 |
| (f) Other financial assets | 8 | 570.55 | 458.70 |
| Other current assets | 12 | 415.97 | 473.99 |
| Assets held for sale | 3(b) | - | - |
| | | 30,230.00 | 24,596.47 |
| TOTAL ASSETS | | 44,878.96 | 40,059.10 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 14 | 1,143.58 | 1,138.31 |
| Other equity | 15 | | |
| (a) Securities premium account | | 12,821.75 | 12,594.90 |
| (b) Retained earnings | | 11,990.60 | 8,669.24 |
| (c) Share based payment reserve | | 141.85 | 164.49 |
| (d) Cash flow hedge reserve | | - | - |
| TOTAL EQUITY | A | 26,097.78 | 22,566.94 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (a) Lease liabilities | 18 | 4,787.49 | 4,632.95 |
| Other non-current liabilities | 19 | 2.92 | 14.54 |
| | | 4,790.41 | 4,647.49 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (a) Borrowings | 16 | - | - |
| (b) Trade payables | 17(a) | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | 5.39 | 3.95 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,826.74 | 3,033.28 |
| (c) Other payables | 17(b) | 10.73 | 206.89 |
| (d) Lease liabilities | 18 | 1,183.56 | 1,486.31 |
| Other current liabilities | 19 | 8,263.45 | 7,324.06 |
| Provisions | 20 | 669.61 | 744.69 |
| Liabilities for current tax (net) | | 31.29 | 45.49 |
| | | 13,990.77 | 12,844.67 |
| TOTAL LIABILITIES | B | 18,781.18 | 17,492.16 |
| TOTAL EQUITY AND LIABILITIES | (A+B) | 44,878.96 | 40,059.10 |
| Summary of significant accounting policies | 2.3 | | |

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

As per our report of even date.

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

Aravind K
Partner
Membership No: 221268

Place: Chennai
Date : May 11, 2021

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

Murugavel Janakiraman
Chairman & Managing Director
DIN: 00605009

Sushanth S Pai
Chief Financial Officer

Place: Chennai
Date : May 11, 2021

S Vijayanand
Company Secretary

Place: Chennai
Date : May 11, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

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

| | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|-------|------------------------------|------------------------------|
| Revenue from contracts with customers | 21 | 37,277.81 | 36,711.69 |
| Finance income | 22 | 1,440.57 | 1,634.05 |
| Other income | 23 | 580.07 | 337.95 |
| Total income | | 39,298.45 | 38,683.69 |
| Expenses | | | |
| Employee benefits expense | 24 | 12,578.28 | 15,213.51 |
| Advertisement and business promotion expenses | 27 | 13,747.88 | 10,362.59 |
| Other expenses | 28 | 4,518.09 | 5,967.23 |
| Depreciation and amortisation expense | 25 | 2,589.75 | 2,792.47 |
| Finance costs | 26 | 481.18 | 523.55 |
| Total expenses | | 33,915.18 | 34,859.35 |
| Profit before tax | | 5,383.27 | 3,824.34 |
| Tax expense | 29 | | |
| - Current income tax | | 1,301.22 | 784.39 |
| - Current tax relating to earlier years | | - | (39.75) |
| - Deferred tax (net) | | (14.08) | 211.94 |
| Total tax expense | | 1,287.14 | 956.58 |
| Profit for the year (I) | | 4,096.13 | 2,867.76 |
| Other comprehensive income: | 30 | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement gain / (loss) on defined benefit obligations | | (0.94) | (92.09) |
| Income tax effect | | 0.24 | 23.18 |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A) | | (0.70) | (68.91) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | |
| Net movement on cash flow hedge reserve | | - | (54.22) |
| Income tax effect | | - | 18.95 |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B) | | - | (35.27) |
| Other comprehensive income for the year, net of tax (A+B) (II) | | (0.70) | (104.18) |
| Total comprehensive income for the year, net of tax (I + II) | | 4,095.43 | 2,763.58 |
| Earnings per share of INR 5 each | 31 | | |
| Basic earnings per share | | 17.98 | 12.61 |
| Diluted earnings per share | | 17.96 | 12.57 |
| Summary of significant accounting policies | 2.3 | | |
| The explanatory notes forms an integral part of the standalone financial statements. | | | |

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

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

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

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

a. Equity share capital:

| Equity shares of INR 5 each issued, subscribed and fully paid | No. of shares | Amount |
|---|---------------|----------|
| As at April 1, 2019 | 22,729,356 | 1,136.47 |
| Issue of equity shares (Note 14) | 36,817 | 1.84 |
| As at March 31, 2020 | 22,766,173 | 1,138.31 |
| Issue of equity shares (Note 14) | 105,383 | 5.27 |
| As at March 31, 2021 | 22,871,556 | 1,143.58 |

b. Other equity

For the year ended March 31, 2021

| Particulars | Securities premium reserve (Note 15) | Retained earnings (Note 15) | Share-based payments reserve (Note 15) | Cash flow hedge reserve (Note 15) | Total other equity |
|--|--------------------------------------|-----------------------------|--|-----------------------------------|--------------------|
| As at April 1, 2020 | 12,594.90 | 8,669.24 | 164.49 | - | 21,428.63 |
| (1) Profit for the year | - | 4,096.13 | - | - | 4,096.13 |
| (2) Other comprehensive income (Note 30) | - | (0.70) | - | - | (0.70) |
| (1)+(2) Total comprehensive income | - | 4,095.43 | - | - | 4,095.43 |
| Exercise of share options (Note 34) | 226.85 | - | (71.55) | - | 155.30 |
| Share based payment expenses (Note 24) | - | - | 71.80 | - | 71.80 |
| Transferred from share-based payments reserve upon lapse of vested stock options | - | 22.89 | (22.89) | - | - |
| Cash dividends (including dividend distribution tax) | - | (796.96) | - | - | (796.96) |
| As at March 31, 2021 | 12,821.75 | 11,990.60 | 141.85 | - | 24,954.20 |

For the year ended March 31, 2020

| | | | | | |
|--|-----------|----------|---------|---------|-----------|
| As at April 1, 2019 | 12,539.84 | 6,272.98 | 112.44 | 35.27 | 18,960.53 |
| (1) Profit for the year | - | 2,867.76 | - | - | 2,867.76 |
| (2) Other comprehensive income (Note 30) | - | (68.91) | - | (35.27) | (104.18) |
| (1)+(2) Total comprehensive income | - | 2,798.85 | - | (35.27) | 2,763.58 |
| Exercise of share options (Note 34) | 55.06 | - | (17.13) | - | 37.93 |
| Share based payment expenses (Note 24) | - | - | 77.70 | - | 77.70 |
| Transferred from share-based payments reserve upon lapse of vested stock options | - | 8.52 | (8.52) | - | - |
| Cash dividends (including dividend distribution tax) | - | (411.11) | - | - | (411.11) |
| As at March 31, 2020 | 12,594.90 | 8,669.24 | 164.49 | - | 21,428.63 |

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

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

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

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Standalone Statement of Cash flows

for the year ended March 31, 2021

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

| Particulars | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|-------|------------------------------|------------------------------|
| Cash flow from / (used in) operating activities | | | |
| Profit before tax | | 5,383.27 | 3,824.34 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Depreciation and amortisation expense | 25 | 2,589.75 | 2,792.47 |
| Dividend received from subsidiary | 23 | (259.52) | (169.66) |
| Impact of fair value changes of interest free security deposits (net) | 22 | (61.54) | (66.44) |
| (Profit) / Loss on sale / write-off of property, plant and equipment (net) | | (1.72) | (4.38) |
| Unrealised foreign exchange (gain) / loss | | 32.05 | (0.24) |
| Gain on preclosure of lease agreement | | (138.05) | - |
| Impairment of financial assets | 28 | 31.66 | 105.42 |
| Impairment loss on asset held for sale (including reversals) | 28 | (56.29) | 65.44 |
| Share based payment expenses | 24 | 71.80 | 77.70 |
| Provision for litigation | | 5.83 | 112.68 |
| Liabilities no longer required written back | 23 | (3.37) | (0.38) |
| Interest expense | 26 | 470.84 | 512.63 |
| Fair value (gain) / loss on mutual fund investments at fair value through profit / loss | 22 | (481.30) | (981.41) |
| Interest income | 22 | (897.73) | (586.19) |
| Operating profit / (loss) before working capital changes | | 6,685.68 | 5,681.98 |
| Movement in working capital : | | | |
| (Increase) / decrease in financial assets | | (446.16) | 6.98 |
| (Increase) / decrease in other assets | | (90.90) | 65.59 |
| Increase / (decrease) in trade payables | | 898.36 | 949.31 |
| Increase / (decrease) other liabilities | | 931.14 | (486.99) |
| Increase / (decrease) in long / short term provisions | | (81.84) | (66.18) |
| Cash generated from / (used in) operations | | 7,896.28 | 6,150.69 |
| Income taxes paid (net of refunds) | | (1,296.47) | (715.24) |
| Net cash flow from / (used in) operating activities (A) | | 6,599.81 | 5,435.45 |
| Cash flow from / (used in) investing activities | | | |
| Purchase of property, plant and equipment including intangible assets and capital advances | | (989.62) | (1,151.69) |
| Proceeds from sale of property, plant and equipment | | 4.39 | 18.36 |
| Dividend received from subsidiary | | 259.52 | 169.66 |
| Investment in associate | | - | (614.43) |
| Repayment of loan given to subsidiary | | - | 56.91 |
| Proceeds from sale of Mutual Funds | | 11,100.13 | 11,271.39 |
| Purchase of Mutual Funds | | (7,085.03) | (8,650.00) |
| Interest received | | 753.58 | 500.00 |
| Redemption of bank deposits (with maturity more than three months) | | 11,014.78 | 6,217.37 |
| Investment in bank deposits (with maturity more than three months) | | (19,089.51) | (11,014.03) |
| Net cash flow / (used in) investing activities (B) | | (4,031.76) | (3,196.46) |
| Cash flows from / (used in) financing activities | | | |
| Proceeds from issue of share capital (including securities premium) | | 160.58 | 39.77 |
| Dividend paid (including dividend distribution tax) | | (796.96) | (411.11) |
| Payment of principal portion of lease liabilities | | (1,164.90) | (1,472.58) |
| Interest paid | | (470.85) | (512.63) |
| Net cash flow from / (used in) financing activities (C) | | (2,272.13) | (2,356.55) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | | 295.92 | (117.56) |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | | (1.73) | 0.40 |
| Cash and cash equivalents at the beginning of the year | | 198.33 | 315.49 |
| Cash and cash equivalents at the end of the year (refer note 6) | | 492.52 | 198.33 |

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

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

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

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Corporate
Overview

Statutory
Reports

Management Discussion
& Analysis Report

Business Responsibility
Report

Financial Statements
Standalone

Financial Statements
Consolidated

Notes to the standalone financial statements

for the year ended March 31, 2021

1. Corporate information

Matrimony.com Limited ('Matrimony.com' or the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company offers online matchmaking services on internet and mobile platforms. The Company delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India. Such services are primarily delivered online through popular domain specific web portals like BharatMatrimony.com, CommunityMatrimony.com, AssistedMatrimony.com and EliteMatrimony.com. Revenue comprises of membership subscription, assisted matrimonial service fees and sales from online advertising packages. The Company has expanded into marriage services such as Mandap & Wedding Bazaar, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers.

On September 21, 2017, the Company listed its equity shares with National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at TVH Belicia Towers, Tower II, 5th Floor, No. 94, MRC Nagar, Raja Annamalaipuram, Chennai - 600028.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 11, 2021.

2. Significant accounting policies

2.1. Basis of preparation

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

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

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

The standalone financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.2. COVID-19 Impact

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements, including the impact of this pandemic on its business operations, assessed the Company's liquidity position for the next one year and evaluated the recoverability and carrying value of its assets including Property, plant and equipment, Right of Use assets and Investments as at March 31, 2021. Based on its review, consideration of internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions relevant to the Company's operations, management has concluded that there are no adjustments required to the Company's financial statements. However, the estimated impact of COVID 19 might vary from the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

Notes to the standalone financial statements

for the year ended March 31, 2021

2.3. Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

b) Property, plant and equipment

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

Notes to the standalone financial statements

for the year ended March 31, 2021

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

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

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets/ intangibles under development, 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. The Company, based on technical assessment and review of history of asset usage, depreciates certain items of Computer and network equipment, Furniture and fixtures, Office equipment and Plant & machinery over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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. 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.

Notes to the standalone financial statements

for the year ended March 31, 2021

Leasehold improvements are amortised over the primary period of lease.

e) Leases

Company as lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| Particulars | Years |
|--------------------|---------------------|
| Leasehold property | 10 months – 9 years |

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the standalone financial statements

for the year ended March 31, 2021

f) Borrowing cost

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

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

g) Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount, as the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

h) Revenue from contracts with customers and other income

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

The following specific recognition criteria must also be met before revenue is recognized:

Income from services

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

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

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

Interest income

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

Dividends

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

i) Foreign currency transactions

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

Transactions in foreign currencies entered into by the Company are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

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).

Notes to the standalone financial statements

for the year ended March 31, 2021

j) Retirement and other employee benefits

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

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

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

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

k) Government Grants

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

l) Taxes

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

Current income tax

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

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

m) Share based payments

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

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

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

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) Contingent liabilities

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

p) Fair value measurement

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

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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, 2021

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

q) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Debt instruments at amortised cost

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

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 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.

Notes to the standalone financial statements

for the year ended March 31, 2021

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.

Impairment of financial assets

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

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

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

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

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

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

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

Subsequent measurement

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

Loans and borrowings

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

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

Financial guarantee contracts

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

De-recognition

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

Offsetting of financial instruments

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

r) 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.

s) Earnings per share

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

Notes to the standalone financial statements

for the year ended March 31, 2021

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led.

Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives /costs attributable to the enterprise as a whole and are not attributable to segments

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

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

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

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

v) Investment in Associates and Joint ventures

An investment in associate and joint venture is initially recognised at cost on the date of the investment and is inclusive of any goodwill/capital reserve embedded in the cost. Investment in associate and joint venture is accounted for using equity method of accounting. Only share of net profits/losses of associates/joint ventures is considered in Consolidated Statement of Profit and Loss and the carrying amount of the investment in associates/ joint ventures is adjusted by the share of net profits/losses in the Consolidated Balance Sheet. Investment in Associate is carried at cost less accumulated impairment if any.

w) Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

Notes to the standalone financial statements

for the year ended March 31, 2021

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

2.4 Changes in accounting policies and disclosures

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1st April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1st April 2019.

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the company.

These amendments are applicable prospectively for annual periods beginning on or after the 1st April 2020. The amendments to the definition of material are not expected to have a significant impact on the company's financial statements.

Notes to the standalone financial statements for the year ended March 31, 2021

(All amounts are in INR 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 | Vehicles | Total | Web domain | Portal development | Software | Total |
| Cost as at April 1, 2019 | 3,649.77 | 437.10 | 96.73 | 415.57 | 220.42 | 4,359.66 | 99.35 | 9,278.60 | 316.32 | 17.61 | 873.39 | 1,207.32 |
| Additions | 863.27 | 69.80 | 36.90 | 90.00 | - | - | - | 1,059.97 | 203.48 | 16.10 | 25.70 | 245.28 |
| Disposals | (177.11) | (57.30) | (17.00) | (40.35) | (50.53) | - | - | (342.29) | - | - | (18.48) | (18.48) |
| Assets held for sale (refer note b) | - | - | - | - | (169.89) | - | - | (169.89) | - | - | - | - |
| As at March 31, 2020 | 4,335.93 | 449.60 | 116.63 | 465.22 | - | 4,359.66 | 99.35 | 9,826.39 | 519.80 | 33.71 | 880.61 | 1,434.12 |
| Additions | 528.67 | 131.91 | 8.16 | 48.12 | 65.44 | - | - | 782.30 | 127.52 | - | 59.93 | 187.45 |
| Disposals | (296.85) | (127.11) | (23.30) | (207.09) | (65.44) | - | - | (719.79) | - | - | - | - |
| As at March 31, 2021 | 4,567.75 | 454.40 | 101.49 | 306.25 | - | 4,359.66 | 99.35 | 9,888.90 | 647.32 | 33.71 | 940.54 | 1,621.57 |
| Depreciation/Amortisation as at April 1, 2019 | 1,424.87 | 242.79 | 56.88 | 148.32 | 104.08 | - | 45.69 | 2,022.63 | 146.67 | 13.07 | 742.00 | 901.74 |
| Charge for the year | 689.38 | 82.19 | 28.33 | 95.51 | 43.63 | - | 15.21 | 954.25 | 117.26 | 4.45 | 101.21 | 222.92 |
| Disposals | (174.92) | (56.06) | (16.88) | (38.81) | (43.26) | - | - | (329.93) | - | - | (18.48) | (18.48) |
| Assets held for sale (refer note b) | - | - | - | - | (104.45) | - | - | (104.45) | - | - | - | - |
| As at March 31, 2020 | 1,939.33 | 268.92 | 68.33 | 205.02 | - | - | 60.90 | 2,542.50 | 263.93 | 17.52 | 824.73 | 1,106.18 |
| Charge for the year | 765.84 | 75.13 | 16.97 | 94.40 | 58.97 | - | 15.21 | 1,026.52 | 160.50 | 5.92 | 54.34 | 220.76 |
| Disposals | (295.79) | (123.42) | (23.09) | (195.60) | (58.97) | - | - | (696.87) | - | - | - | - |
| As at March 31, 2021 | 2,409.38 | 220.63 | 62.21 | 103.82 | - | - | 76.11 | 2,872.15 | 424.43 | 23.44 | 879.07 | 1,326.94 |
| Net Block | | | | | | | | | | | | |
| As at April 1, 2019 | 2,224.90 | 194.31 | 39.85 | 267.25 | 116.34 | 4,359.66 | 53.66 | 7,255.97 | 169.65 | 4.54 | 131.39 | 305.58 |
| As at March 31, 2020 | 2,396.60 | 180.68 | 48.30 | 260.20 | - | 4,359.66 | 38.45 | 7,283.89 | 255.87 | 16.19 | 55.88 | 327.94 |
| As at March 31, 2021 | 2,158.37 | 233.77 | 39.28 | 202.43 | - | 4,359.66 | 23.24 | 7,016.75 | 222.89 | 10.27 | 61.47 | 294.63 |
| Assets held for sale (refer note b) | - | - | - | - | - | - | - | - | - | - | - | - |

(a) The amount of borrowing costs capitalised during the year ended March 31, 2021 was Rs Nil (March 31, 2020: Rs Nil; April 1, 2019: Rs Nil).

(b) As at March 31, 2020, the management, basis its comprehensive evaluation of the photography business and the intention to move to lead-based model, has decided that the assets relating to photography business would no longer be used in its operations and these assets were readily available for immediate sale in its present condition and accordingly management has classified these assets as assets held for sale and as a matter of prudence, the Company had provided for impairment loss for the carrying value of such assets amounting to Rs. 65.44 lakh to write down their value to Nil as at March 31, 2020. Subsequently, the Company was able to monetise these assets during the year ended March 31, 2021 and the impairment loss provided during the previous year has been reversed in the current year.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 4 Non Current Investments | | |
| In subsidiaries (at cost) | | |
| Sys India Private Limited | 1.00 | 1.00 |
| - 99,900 (March 31, 2020 - 99,900) equity shares of Re. 1 each fully paid up | | |
| Consim Info USA Inc., USA | 0.45 | 0.45 |
| - 1,000 (March 31, 2020 - 1,000) equity shares of USD 1 each fully paid up | | |
| Matrimony DMCC, Dubai | 10.17 | 10.17 |
| - 50 (March 31, 2020 - 50) equity shares of AED 1,000 each fully paid up | | |
| In Associate (at cost) | | |
| Astro Vision Futuretech Private Limited* | 614.43 | 614.43 |
| - 3,341 (March 31, 2020 - 3,341) equity shares of Rs 10 each fully paid up | | |
| | 626.05 | 626.05 |
| Aggregate amount of unquoted investments (net of impairment allowance) | 626.05 | 626.05 |
| Aggregate impairment allowance in the value of investments | - | - |
| *During the year 2019-20, the Company acquired 3,341 equity shares of Astro Vision Futuretech Private Limited ("the Investee") for Rs 595.07 lakhs, which constitutes 26.09% of total equity shares of the Investee, by way of share subscription and share purchase from the existing shareholders. The Company has duly executed share transfer and obtained share certificate, dated February 11, 2020, from the Investee. Rs 19.36 lakhs of transaction cost incurred which are directly attributable to this acquisition has been capitalised with cost of investment. | | |
| 5 Security deposits | | |
| (at amortised cost) | | |
| Non-current | | |
| Security deposits | | |
| - Considered good | 590.81 | 852.35 |
| - Considered doubtful | 38.16 | 15.66 |
| | 628.97 | 868.01 |
| Less: impairment allowance on deposits | 38.16 | 15.66 |
| | 590.81 | 852.35 |
| Current | | |
| Security deposits | | |
| - Considered good | 412.66 | 199.60 |
| | 1,003.47 | 1,051.95 |
| 6 Cash and cash equivalents | | |
| Balances with banks on current accounts | 460.40 | 161.32 |
| Cheques on hand | 11.82 | 3.58 |
| Cash on hand | 20.30 | 33.43 |
| | 492.52 | 198.33 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 7 Bank balances other than cash and cash equivalents (at amortised cost) | | |
| Non-current | | |
| Deposits with original maturity of more than 12 months | 0.75 | 0.75 |
| Current | | |
| Deposits with original maturity of more than 3 months but less than 12 months * | 19,088.76 | 11,014.03 |
| *The Company had pledged Rs. 1,000 lakhs as on March 31, 2021 (Rs. 1,000.00 lakhs as on March 31, 2020) of its deposits to fulfil collateral requirements relating to the overdraft facility with HDFC bank which is repayable on demand. Subsequent to year end, the Company has closed the said overdraft facility in April 2021. | | |
| 8 Other financial assets (at amortised cost) | | |
| Interest accrued on fixed deposits | 558.90 | 414.75 |
| Loans to employees | | |
| - Considered good | 11.65 | 43.95 |
| - Considered doubtful | 3.91 | 3.91 |
| | 15.56 | 47.86 |
| Less: impairment allowance | 3.91 | 3.91 |
| | 11.65 | 43.95 |
| | 570.55 | 458.70 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 9 Investments (at fair value through profit and loss) | | |
| Investment in mutual funds | | |
| 55,030.99 units (March 31, 2020: 60,800.82 units) Kotak Money Market Scheme Growth | 1,907.89 | 2,006.62 |
| 6,84,164.15 units (March 31, 2020: 7,89,460.25 units) Aditya birla sun life money manager fund growth | 1,949.60 | 2,124.86 |
| 47,68,235.45 units (March 31, 2020: 65,58,355.77 units) Kotak savings fund regular growth | 1,608.35 | 2,104.81 |
| 34,835.13 units (March 31, 2020: 34,835.13 units) SBI magnum ultra short duration fund growth | 1,629.53 | 1,549.54 |
| 35,496.91 units (March 31, 2020: 45,526.67 units) Tata liquid fund - direct plan - growth | 1,152.81 | 1,425.89 |
| 6,895.40 units (March 31, 2020: Nil units) Tata Money Market Fund Direct Growth | 253.05 | - |
| Nil units (March 31, 2020: 5,609.66 units) UTI liquid cash plan - IP growth | - | 181.61 |
| Nil units (March 31, 2020: 2,14,178.17 units) ICICI prudential savings fund growth | - | 829.62 |
| Nil units (March 31, 2020: 67,913.25 units) L&T ultra short term fund growth | - | 22.19 |
| Nil units (March 31, 2020: 14,443.97 units) Invesco India liquid fund - direct plan - growth | - | 394.07 |
| Nil units (March 31, 2020: 63,614.43 units) Axis liquid fund - growth | - | 1,395.82 |
| Aggregate book value of unquoted current investments | 8,501.23 | 12,035.03 |
| Aggregate amount of book value unquoted investments | 8,501.23 | 12,035.03 |
| Aggregate provision for impairment allowance in value of investments | - | - |
| Aggregate amount of fair value unquoted investments | 8,501.23 | 12,035.03 |
| 10 Trade receivables (unsecured and at amortised cost) | | |
| Trade receivables | 295.27 | 108.14 |
| Receivables from related parties (refer note 37) | 453.04 | 108.65 |
| | 748.31 | 216.79 |
| Trade receivables | | |
| - Considered good | 748.31 | 216.79 |
| - Significant increase in credit risk | - | - |
| - Credit impaired | 27.26 | 19.72 |
| | 775.57 | 236.51 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Impairment Allowance (allowance for bad and doubtful debts) | | |
| - Significant increase in credit risk | - | - |
| - Credit impaired | 27.26 | 19.72 |
| Total current trade receivable | 748.31 | 216.79 |

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

For terms and conditions relating to related party receivables, refer note 37

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Break up of financial assets carried at amortised cost | | |
| Security deposits (non-current) (note 5) | 590.81 | 852.35 |
| Bank balances other than cash and cash equivalents (non-current) (note 7) | 0.75 | 0.75 |
| Security deposits (current) (note 5) | 412.66 | 199.60 |
| Cash and cash equivalents (note 6) | 492.52 | 198.33 |
| Bank balances other than cash and cash equivalents (current) (note 7) | 19,088.76 | 11,014.03 |
| Trade receivables (note 10) | 748.31 | 216.79 |
| Other financial assets (note 8) | 570.55 | 458.70 |
| Total financial assets carried at amortised cost | 21,904.36 | 12,940.55 |

| | | |
|--|---------------|---------------|
| 11 Other non-current assets | | |
| Capital advances | 34.81 | 25.69 |
| Prepaid expenses (long-term) | 10.21 | 13.59 |
| Balances with Statutory / Government authorities | 206.78 | 109.80 |
| | 251.80 | 149.08 |

| | | |
|---|---------------|---------------|
| 12 Other current assets | | |
| Prepaid expenses | 281.28 | 258.33 |
| Balances with Statutory / Government authorities | 108.66 | 188.76 |
| Advance to vendors for supply of goods and services | 26.03 | 26.90 |
| | 415.97 | 473.99 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 13 Deferred tax assets (net) | | |
| Deferred tax assets | 379.28 | 388.50 |
| Deferred tax liabilities | (184.10) | (207.40) |
| Deferred tax asset (net) | 195.18 | 181.10 |
| Reconciliation of deferred tax asset (net) | | |
| Opening balance | 181.10 | 374.11 |
| Tax income / (expense) during the year in profit and loss | 14.08 | (211.94) |
| Tax income / (expense) during the year in OCI | - | 18.93 |
| Closing balance | 195.18 | 181.10 |

Deferred tax relates to the following

| Particulars | Balance sheet | | Profit and Loss | | OCI | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Deferred tax liability | | | | | | |
| Impact of fair valuation on mutual funds at fair value through profit or loss | 184.10 | 182.23 | 1.87 | 158.80 | - | - |
| CSR donation made subsequent to the year-end which is eligible for deduction in the current year | - | 25.17 | (25.17) | 25.17 | - | - |
| Impact of unrealised gain on cash flow hedge | - | - | - | - | - | (18.95) |
| Gross deferred tax liability | 184.10 | 207.40 | (23.30) | 183.97 | - | (18.95) |
| Deferred tax asset | | | | | | |
| Impact of lease liability recognised upon retrospective implementation of Ind AS 116 "Lease" | 199.62 | 179.78 | 19.84 | (3.88) | - | - |
| Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis | 87.14 | 131.17 | (44.03) | (7.50) | - | - |
| Impairment allowance (doubtful debts and advances) | 7.85 | 5.95 | 1.90 | (21.62) | - | - |
| Capital expenditure disallowed | 5.06 | 5.06 | - | 5.06 | - | - |
| Provision for deposits | 10.01 | 3.94 | 6.07 | (4.06) | - | - |
| Impact of Difference between written down value of property, plant and equipment in books for financial reporting and tax books | 69.34 | 62.34 | 7.00 | 4.14 | - | - |
| Others | 0.26 | 0.26 | - | (0.11) | - | - |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

Deferred tax relates to the following

| Particulars | Balance sheet | | Profit and Loss | | OCI | |
|---|----------------|----------------|-----------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Gross deferred tax asset | 379.28 | 388.50 | (9.22) | (27.97) | - | - |
| Net deferred tax asset / (deferred tax liability) | 195.18 | 181.10 | 14.08 | (211.94) | - | 18.95 |

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

| | As at March 31, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| 14 Share Capital | | |
| Authorised shares | | |
| 3,60,00,000 Equity shares of Rs.5/- each (March 31, 2020: 3,60,00,000 Equity shares of Rs.5/- each) | 1,800.00 | 1,800.00 |
| 42,00,000 (March 31, 2020: 42,00,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each | 210.00 | 210.00 |
| Issued, subscribed and fully paid-up equity shares | | |
| 2,28,71,556 Equity shares of Rs.5/- each (March 31, 2020: 2,27,66,173 Equity shares of Rs.5/- each) | 1,143.58 | 1,138.31 |
| | 1,143.58 | 1,138.31 |

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

Equity shares

| | March 31, 2021 | | March 31, 2020 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 22,766,173 | 1,138.31 | 22,729,356 | 1,136.47 |
| Issued during the year - ESOP (refer note 34) | 105,383 | 5.27 | 36,817 | 1.84 |
| Outstanding at the end of the year | 22,871,556 | 1,143.58 | 22,766,173 | 1,138.31 |

(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.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

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

Equity shares of Rs.5/- each fully paid

| Name of shareholder | March 31, 2021 | | March 31, 2020 | |
|---------------------------------------|----------------|------------------------|----------------|------------------------|
| | No. of shares | % holding in the class | No. of shares | % holding in the class |
| Murugavel Janakiraman* | 11,478,766 | 50.19% | 11,478,766 | 50.42% |
| Nalanda India Equity Fund Limited | 2,261,722 | 9.89% | 2,261,722 | 9.93% |
| Massachusetts Institute of Technology | 1,953,000 | 8.54% | - | - |
| SBI Small Cap Fund | 1,211,951 | 5.30% | - | - |
| CMDB II | - | - | 3,366,415 | 14.79% |
| Mayfield XII, Mauritius | - | - | 2,378,488 | 10.45% |

*In Extraordinary General Meeting held on August 5, 2015, the Shareholders approved the consolidation of shares as follows - every 5 (Five) existing equity shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) equity shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up and every 5 (Five) existing preference shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) preference shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up. Consequent to the consolidation of shares mentioned above, 12 equity shares representing fractions of less than one equity share of Rs. 5/- each have been transferred to Mr. Murugavel Janakiraman, Promoter and Managing Director, who will act as a trustee for and on behalf of such equity shareholders holding fractional shares.

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

| | As at March 31 | | | | |
|--|----------------|------|------|--------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Securities premium utilised for Bonus Shares issued on conversion of CCPS (refer note (i)) | - | - | - | 138.90 | - |

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

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

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

(f) During the year ended March 31, 2021, the Company has not issued shares for consideration other than cash.

| | | As at March 31, 2021 | As at March 31, 2020 |
|-----|---|-------------------------|-------------------------|
| | | | |
| 15 | Other equity | | |
| (a) | Securities premium account | | |
| | Opening balance | 12,594.90 | 12,539.84 |
| | Add: premium on exercise of stock options | 226.85 | 55.06 |
| | Closing balance | 12,821.75 | 12,594.90 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| (b) Retained earnings | | |
| Opening balance | 8,669.24 | 6,272.98 |
| Profit for the year | 4,096.13 | 2,867.76 |
| Re-measurement gain / (loss) on defined benefit plans (net of tax impact) (refer note 30) | (0.70) | (68.91) |
| Add: transferred from share-based payments reserve upon lapse of stock options | 22.89 | 8.52 |
| Less: Cash dividend (including dividend distribution tax) | (796.96) | (411.11) |
| Closing balance | 11,990.60 | 8,669.24 |
| Distribution made and proposed | | |
| Cash dividends on equity shares declared and paid: | | |
| Final dividend for the year ended on 31st March 2021: Rs. Nil per share (31st March 2020: Rs 3.5 per share) | 796.82 | 340.94 |
| Dividend distribution tax | - | 70.08 |
| | 796.82 | 411.02 |
| Proposed dividends on equity shares: | | |
| Final dividend for the year ended on 31st March 2021: Rs 3.5 per share (31st March 2020: Rs 3.5 per share, which includes special dividend of Rs 2.0 per share) | 800.50 | 796.82 |
| Dividend distribution tax | - | - |
| | 800.50 | 796.82 |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31. | | |
| With effect from 1st April 2020, the Dividend Distribution Tax ("DDT") payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient. | | |
| | | |
| | As at March 31, 2021 | As at March 31, 2020 |
| (c) Share based payments reserve | | |
| Opening balance | 164.49 | 112.44 |
| Addition during the year | 71.80 | 77.70 |
| Less: transferred to security premium on exercise of stock options | (71.55) | (17.13) |
| Less: transferred to retained earnings upon lapse of stock options | (22.89) | (8.52) |
| Closing balance | 141.85 | 164.49 |
| (d) Cash flow hedge reserve | | |
| Opening balance | - | 35.27 |
| Addition during the year (net of tax impact) | - | (35.27) |
| Closing balance | - | - |
| Total other equity | 24,954.20 | 21,428.63 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 16 Borrowings (at amortised cost) | | |
| Current | | |
| Bank overdraft (secured)* | - | - |
| Total | - | - |
| Effective interest rate (%) | 6.03% | 7.65% |
| * The Company maintains overdraft facility with HDFC bank which is repayable on demand and the Company's overdraft balance as at March 2021 and March 2020 is Nil. The said facility is secured by way of lien on fixed deposit upto the extent of Rs 1,000.00 lakhs marked in favour of the bank. Subsequent to year end, the Company has closed the said overdraft facility in April 2021. | | |
| 17 Trade & other payables (at amortised cost) | | |
| (a) Trade payables | | |
| Current | | |
| Trade payables (refer note 32) | 3,454.53 | 2,582.62 |
| Dues to employees | 371.70 | 432.69 |
| Dues to related parties (refer note 37) | 5.90 | 21.92 |
| | 3,832.13 | 3,037.23 |
| (b) Other payables | | |
| Current | | |
| Payables for capital purchases | 10.73 | 206.89 |
| | 10.73 | 206.89 |
| Trade payables and other payables are generally non-interest bearing and is in the range of 0 to 3 months. For Company's credit risk management process refer note 40. | | |
| 18 Lease liabilities | | |
| Non-current | | |
| Lease liabilities | 4,787.49 | 4,632.95 |
| Current | | |
| Lease liabilities | 1,183.56 | 1,486.31 |
| | 5,971.05 | 6,119.26 |
| Break up of financial liabilities carried at amortised cost | | |
| Non-current lease liabilities (note 18) | 4,787.49 | 4,632.95 |
| Current maturity of lease liabilities (note 18) | 1,183.56 | 1,486.31 |
| Borrowings (note 16) | - | - |
| Trade payables (note 17(a)) | 3,832.13 | 3,037.23 |
| Other payables (note 17(b)) | 10.73 | 206.89 |
| Total financial assets carried at amortised cost | 9,813.91 | 9,363.38 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 19 Other liabilities | | |
| Non-current | | |
| Deferred revenue | 2.92 | 14.54 |
| Current | | |
| Deferred revenue | 7,528.73 | 6,844.24 |
| Advances from customers | 23.35 | 48.32 |
| Withholding and other taxes payable | 711.37 | 431.50 |
| | 8,263.45 | 7,324.06 |
| | 8,266.37 | 7,338.60 |
| 20 Provisions | | |
| Current | | |
| Provision for employee benefits | | |
| - Provision for gratuity (refer note 35) | 109.23 | 192.63 |
| - Provision for leave benefits | 261.37 | 268.69 |
| Other provisions | | |
| Provision for litigations (refer note below) | 299.01 | 283.37 |
| | 669.61 | 744.69 |
| Provision for litigations: | | |
| The movement of provision for litigation during the period is given below: | | |
| Opening balance | 283.37 | 180.49 |
| Addition | 15.64 | 112.68 |
| Utilisation | - | (9.80) |
| Closing balance | 299.01 | 283.37 |

(a) Employees' Provident Fund (EPF) : During the year ended March 31, 2015, the Company received a demand order from Regional Commissioner of Provident Fund, on account of non-inclusion of various allowances for the calculation of Provident Fund (PF) contribution for the period April 2012 to May 2014. The Honourable Supreme Court issued an order dated February 28, 2019, in a matter similar to the case involving the company as detailed above. Subsequently, during the previous year, the Company received demand order from Recovery Officer to pay Rs 162.91 lakhs to the respective employee PF accounts or by way of Demand Draft (DD) in favour of Regional Provident Fund Commissioner. The Company during the previous year obtained an interim stay on this demand by depositing 25% of the demand and had further remitted demand amount Rs 9.81 Lakhs on protest.

There are numerous interpretative issues relating to this Supreme Court judgement. The Company based on legal advice received and management's evaluation and best estimate, had made a provision for the demand including interest amounting to Rs 173.91 lakhs in respect of identifiable employees during the previous year. Although basis the legal opinion, Company is not bound to pay PF contribution in respect of non-identifiable employees, as a matter of prudence, the Company had also provided for the demand amounting to Rs 69.96 lakhs in respect of non-identifiable employees during the previous year. Overall, the Company had accounted a total provision including interest of Rs 243.87 lakhs as on March 31, 2020. During the current year, the Company has remitted the remaining demand amount along with the interest and penalty amounting to Rs 129.98 lakhs under protest. The Company has also provided for the incremental interest of Rs 2.71 lakhs for identifiable employees during the current year. As at March 31, 2021, the Company has accounted total provision including interest of Rs 256.39 lakhs.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

20 Provisions (continued)

The Company has created the above provision without prejudice to its legal rights under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has disclosed the interest on such demand relating to non-identifiable employees and the damages as contingent liability (refer note 36(c)). Based on evaluation of the Supreme Court order, the management has determined that the position followed by it for periods subsequent to the demand (as above), i.e from May 2014 is appropriate and will update its provision on receiving further clarity on the subject.

(b) Service tax : The Company received a demand order of Rs 350.14 lakhs along with interest and penalty from Commissioner of Service Tax for non-payment of service tax on certain services made during the period FY 2008-09 to 2012-13. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and has filed appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT) and has deposited Rs. 26.26 lakhs towards statutory pre-deposit for filing appeal. As a matter of prudence, the Company has provided Rs 13.69 lakhs for service tax demand and Rs 25.82 lakhs for interest during FY 2019-20 and an additional amount of 3.12 lakhs during FY 2020-21. Based on evaluation of the technical position as well as legal advice obtained from experts, the management believes that the ultimate outcome of this proceedings would be favourable. Accordingly, the Company has disclosed the balance demand amount of Rs 336.46 lakhs and interest and penalty aggregating to Rs 951.43 lakhs as contingent liability (also refer note 36(c))

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| 21 Revenue from contracts with customers | | |
| Income from services | 43,057.12 | 42,401.07 |
| Business license fee | 163.24 | 152.73 |
| Less : Taxes collected from customers | (5,942.55) | (5,842.11) |
| | 37,277.81 | 36,711.69 |

Disaggregated revenue information

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

| | | |
|--|------------------|------------------|
| Type of service: | | |
| Match making services | 37,062.15 | 35,572.51 |
| Marriage services | 215.65 | 1,139.18 |
| Total revenue from contracts with customers | 37,277.81 | 36,711.69 |
| Geographical revenue: | | |
| India | 31,750.54 | 31,943.09 |
| Outside India | 5,527.27 | 4,768.60 |
| Total revenue from contracts with customers | 37,277.81 | 36,711.69 |
| Timing of revenue recognition: | | |
| Service transferred at a point in time | 28.76 | 1,059.63 |
| Services transferred over time | 37,249.05 | 35,652.06 |
| Total Revenue from contracts with customers | 37,277.81 | 36,711.69 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

21 Revenue from contracts with customers (continued)

Contract balances

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|-------------------------|-------------------------|
| Trade receivables | 748.31 | 216.79 |
| Contract assets | - | - |
| Contract liabilities | 7,554.99 | 6,907.10 |

Contract liabilities include long-term and short-term advances received to deliver subscriptions services.

Set out below is the amount of revenue recognised from:

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Amounts included in contract liabilities at the beginning of the year | 6,837.70 | 7,132.25 |

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

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

Performance obligation

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

Matchmaking services

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

Marriage services

Marriage services consist of WeddingBazaar services, MatrimonyMandap services and Photography services.

-Wedding Bazaar services

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

-Matrimony Mandap Services

The primary performance obligation under Matrimony Mandap services contract is satisfied over the period of subscription and the payment is collected upfront. In case of commission contracts, the performance obligation is to secure booking of mandap and the Company collects commission upon each successful booking. There are no significant financing component in these contracts.

-Photography services

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| 22 Finance income | | |
| Interest income from: | | |
| - Bank deposits | 895.03 | 575.23 |
| - Finance income recognised on interest-free security deposits | 61.54 | 66.44 |
| - Interest on loan | 2.70 | 10.97 |
| Fair value gain on mutual fund investments at fair value through profit or loss | 481.30 | 981.41 |
| | 1,440.57 | 1,634.05 |
| 23 Other income | | |
| Liabilities no longer required written back | 3.37 | 0.38 |
| Agency commission income (refer note 37) | 16.80 | 16.80 |
| Government contribution to employee provident fund* | 31.55 | 85.03 |
| Dividend from equity investment | 259.52 | 169.66 |
| Gain on preclosure of lease agreement | 138.05 | - |
| Reversal of impairment on assets held for sale | 56.29 | - |
| Miscellaneous income | 74.49 | 66.08 |
| | 580.07 | 337.95 |
| *Government grants | | |
| At April 1 | - | - |
| Received during the year | 31.55 | 85.03 |
| Released to the statement of profit and loss | (31.55) | (85.03) |
| At March 31 | - | - |
| Government grant have been received under Pradhan Mantri Rojgar Protsahan Yojana ('PMRPY') scheme for incentivising employers for generation of new employments. | | |
| 24 Employee benefit expense | | |
| Salaries, wages and bonus | 11,454.13 | 13,704.55 |
| Contribution to provident and other fund | 717.74 | 900.43 |
| Gratuity expense (refer note 35) | 105.66 | 92.31 |
| Share based payment expenses (refer note 34) | 71.80 | 77.70 |
| Staff welfare expenses | 163.71 | 365.93 |
| Recruitment and training | 65.24 | 72.59 |
| | 12,578.28 | 15,213.51 |

Note on Social Security Code:

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| 25 Depreciation and amortisation expense | | |
| Depreciation of tangible assets | 2,368.99 | 2,569.55 |
| Amortisation of intangible assets | 220.76 | 222.92 |
| | 2,589.75 | 2,792.47 |
| 26 Finance cost | | |
| Bank charges | 10.34 | 10.92 |
| Interest | 470.84 | 512.63 |
| | 481.18 | 523.55 |
| 27 Advertisement and business promotion expenses | | |
| Advertisement | 13,709.71 | 9,809.81 |
| Business promotion expenses | 38.17 | 552.78 |
| | 13,747.88 | 10,362.59 |
| 28 Other expenses | | |
| Web hosting charges | 684.20 | 626.20 |
| Electricity | 382.74 | 562.79 |
| Rates and taxes | 12.98 | 131.18 |
| Insurance | 91.54 | 79.79 |
| Repairs and maintenance - others | 436.80 | 595.44 |
| Travelling and conveyance | 64.81 | 370.65 |
| Communication costs | 776.41 | 708.14 |
| Printing and stationery | 9.96 | 35.13 |
| Legal and professional fees # | 619.38 | 827.09 |
| Directors' sitting fees | 74.50 | 64.50 |
| Directors' commission | 25.29 | 25.00 |
| Exchange differences (net) | 57.43 | - |
| Impairment allowance on financial assets | 31.66 | 273.35 |
| Less: Bad debts written off | - | (167.93) |
| Impairment allowance on financial assets (net) | 31.66 | 105.42 |
| Loss on sale/ write off of Property, plant and equipment (net) | - | - |
| Collection charges | 846.93 | 829.92 |
| Outsourced photography service charges | 16.12 | 380.81 |
| Impairment loss on asset held for sale | - | 65.44 |
| Web SMS Services | 213.11 | 459.33 |
| CSR expenses ## | 148.68 | 80.88 |
| Miscellaneous expenses | 25.55 | 19.52 |
| | 4,518.09 | 5,967.23 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

28 Other expenses (continued)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| # Payment to auditor (Included under legal and professional fees) | | |
| As auditor: | | |
| Audit fee | 31.00 | 26.00 |
| Limited review | 12.00 | 9.00 |
| Tax audit fee | 1.00 | 1.00 |
| In other capacity: | | |
| Others (including certification fees) | 1.00 | 5.50 |
| | 45.00 | 41.50 |

Details of CSR expenditure

Gross amount required to be spend by the Company during the year

Amount spent during the year ended 31st March 2021:

- i) Construction/acquisition of any asset
- ii) On purposes other than (i) above

Amount spent during the year ended 31st March 2020:

- i) Construction/acquisition of any asset
- ii) On purposes other than (i) above

The Company has spent Rs 80.88 lakhs in the previous year and unspent amount of Rs 50.61 lakhs of previous year has been spent in the current year.

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| 29 Income tax expense | | |
| The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are: | | |
| <u>Profit or loss section</u> | | |
| Current tax: | | |
| Current income tax charge | 1,301.22 | 784.39 |
| Adjustments in respect of current income tax of previous year | - | (39.75) |
| Deferred tax: | | |
| Relating to the origination and reversal of temporary differences | (14.08) | 211.94 |
| Income tax expense reported in the statement of profit and loss | 1,287.14 | 956.58 |
| <u>Other comprehensive income (OCI) section</u> | | |
| Net loss on re-measurement of defined benefit obligation | (0.24) | (23.18) |
| Relating to tax on cash flow hedging | - | (18.95) |
| Income tax charged to OCI | (0.24) | (42.13) |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

29 Income tax expense (continued)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020: | | |
| 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 (25.17% for year ended March 31, 2021 and March 31, 2020) as follows: | | |
| Accounting profit before income tax | 5,383.27 | 3,824.34 |
| Profit before income tax multiplied by standard rate of corporate tax in India of 25.17% (31st March 2020: 25.17%) | 1,354.86 | 962.51 |
| Adjustments | | |
| Non-deductible expenses | 4.69 | 9.13 |
| Losses utilised on which deferred taxes were not recognised in earlier years (Note 13) | - | (1.83) |
| Impact of change in income tax rate* | - | 83.40 |
| Deduction u/s 80JJAA of the Income Tax Act, 1961 | (7.10) | (43.29) |
| Dividend income-exempt from tax | (65.31) | (13.59) |
| At the effective income tax rate of 23.91% (31st March 2020: 26.05%) | 1,287.14 | 996.33 |
| Total current tax expense reported in the statement of profit and loss | 1,287.14 | 996.33 |
| Total tax expense / (income) reported in the other comprehensive income | - | - |
| Total tax expense | 1,287.14 | 996.33 |
| Reconciliation of total tax expenses | | |
| Income tax expense reported in the statement of profit and loss | 1,287.14 | 956.58 |
| Add/(Less): Tax adjustments relating to previous year | - | 39.75 |
| Total tax expense | 1,287.14 | 996.33 |
| * During the previous year, the Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognized provision for Income Tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section during the previous year and the full impact of this change has been recognized in the Statement of Profit and Loss for the year ended March 31, 2020. | | |

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| 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 losses on defined benefit plans (net of tax impact) | (0.70) | (68.91) |
| Unrealised gain / (loss) on derivative contracts (net of tax impact) | - | (35.27) |
| | (0.70) | (104.18) |

31 Earnings per share (EPS)

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

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

Notes to the standalone financial statements

for the year ended March 31, 2021

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

31 Earnings per share (EPS) (continued)

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Profit attributable to equity holders of the company | 4,096.13 | 2,867.76 |
| Weighted average number of equity shares | | |
| - Basic | 22,781,849 | 22,734,489 |
| Effect of dilution: | | |
| (i) Share options | 27,047 | 79,044 |
| - Diluted | 22,808,896 | 22,813,533 |
| Earning per share of Rs.5.00/- each | | |
| - Basic | 17.98 | 12.61 |
| - Diluted | 17.96 | 12.57 |

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

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 Dues including interest to Micro, Small and Medium Enterprises as on March 31, 2021 are Rs 5.39 lakhs (March 31, 2020: 3.95 lakhs).*

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| The following are the break up of dues to Micro, small and Medium Enterprises: | | |
| Principal amount due to suppliers under MSMED Act | 6.59 | 6.53 |
| Interest accrued and due to suppliers under MSMED Act, on the above amount | 0.46 | 0.34 |
| Payment made to suppliers (Other than interest) beyond the appointed day, during the year | 2.99 | 8.03 |
| Interest paid to suppliers under MSMED Act (Section 16) | - | - |
| Interest due to suppliers under MSMED Act, for payments already made | 4.93 | 3.61 |
| Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act | 5.39 | 3.95 |

* During the earlier years, the Company received notice from Micro and Small Enterprises Facilitation Council based on application filed by one of the suppliers claiming Rs 10.11 Lakhs as additional payment for service rendered as per the work contract. The Company was not informed of the status of MSME by the supplier despite request from the Company and hence, could not determine the status as to whether the supplier is a micro or small or medium enterprise under the Act. However, there are no dues to the supplier other than those disclosed above and the company has disputed the liability and supplier's status as Micro, Small and Medium Enterprises. The Company is confident that no further liability will accrue to the Company on account of this. As a matter of prudence, the Company, during the earlier years, has provided interest under MSMED Act of Rs 3.95 lakhs and has incrementally provided provision of Rs 1.44 lakhs during the current year.

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.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

33 Significant accounting judgements, estimates and assumptions (continued)

The estimates and underlying assumptions are reviewed on an on-going 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) 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.

(ii) 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.

(iii) Lease

The Company has entered into leases for office premises and retail outlets. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(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 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.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

33 Significant accounting judgements, estimates and assumptions (continued)

(i) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

(ii) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are disclosed in Note 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 internal technical experts and review of history of asset usage. 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.

(v) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

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 (net of reversal) for share options during the year is Rs. 71.80 lakhs (March 31, 2020: 77.70 lakhs). There are no cancellations or modifications to the awards in March 31, 2021 or March 31, 2020.

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-2015 to 01-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 | 01-Apr-2016 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 | 01-Oct-2016 to 01-Oct-2019 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from October 1, 2015. |
| Grant 10 | February 9, 2016 | 9,600 | 01-Apr-2017 to 01-Apr-2020 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017. |
| Grant 11 | June 30, 2016 | 2,000 | 01-Jul-2017 to 01-Jul-2020 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017. |
| Grant 12 | March 21, 2018 | 10,200 | 01-Apr-2019 to 01-Apr-2021 | Eligible on a graded manner over three years period with 30% of the grants vesting at the end of 12 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24 months from the date of grant and 36 months from the date of grant respectively. |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

34 Employee stock option plans (continued)

The grant wise information is as below (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-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-2019 | 100% of the grants will vest on April 1, 2019. |
| Grant 16 | March 21, 2018 | 1,500 | 01-Apr-2019 | 100% of the grants will vest on April 1, 2019. |
| Grant 17 | October 31, 2018 | 5,000 | 01-Nov-2019 to 01-Nov-2020 | Eligible on a graded manner over 2 years period with 50% of the grants vesting at the end of 12 months starting from November 1, 2019. The remaining 50% of the grants vest at the end of 24 months from the date of grant. |
| Grant 18 | October 31, 2018 | 10,000 | 01-Nov-2019 to 01-Nov-2022 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 1, 2019. |
| Grant 19 | February 12, 2019 | 12,000 | 01-Mar-2020 to 01-Mar-2022 | Eligible on a graded manner over three years period with 33.33% of the grants vesting at the end of every 12 months starting from March 1, 2020. |
| Grant 20 | May 9, 2019 | 45,200 | 09-May-2020 to 09-May-2023 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from May 9, 2020. |
| Grant 21 | February 5, 2020 | 19,300 | 05-Feb-2021 to 05-Feb-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from February 5, 2021. |
| Grant 22 | March 24, 2020 | 16,100 | 24-Mar-2021 to 24-Mar-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from March 24, 2021. |
| Grant 23 | May 20, 2020 | 45,200 | 20-May-2021 to 20-May-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from May 20, 2021. |
| Grant 24 | November 5, 2020 | 20,000 | 05-Nov-2021 to 05-Nov-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 05, 2021. |
| Grant 25 | February 4, 2021 | 15,300 | 04-Feb-2022 to 04-Feb-2025 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from February 04, 2022. |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

34 Employee stock option plans (continued)

Activity in the options outstanding under 'ESOS 2014':

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Outstanding at the beginning of the year | 208,561 | 187,978 |
| Options lapsed during the year | (37,100) | (23,200) |
| Option granted during the year | 80,500 | 80,600 |
| Options exercised during the year | (105,383) | (36,817) |
| Outstanding at the end of the year | 146,578 | 208,561 |
| Exercisable at the end of the year | 26,438 | 109,831 |

The weighted average share price at the date of exercise of the options was Rs. 777.27/- (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. 844.45 (March 31, 2020: Rs. 103 to Rs. 807.50).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 is in the range of 0.50 to 4.92 years (March 31, 2020: 1.04 to 4.59 years).

The following tables list the inputs to the models used for ESOS 2014 for the years ended March 31, 2021 and March 31, 2020, respectively:

| | | |
|--|---------------------|---------------------|
| Exercise price per share for the options granted during the year (Rs.) | 336.40 to 844.45 | 299.45 to 600.45 |
| Weighted average fair value per share (Rs.) | 844.45 | 600.45 |
| Weighted average fair value of options granted | 512.33 | 502.77 |
| Expected volatility | 47.68% to 57.91% | 43.80% to 48.07% |
| Life of the options granted (Vesting and exercise period in years) | 3.5 to 6.5 Years | 3.5 to 6.5 Years |
| Average risk free interest rate | 4.85% to 6.30% | 6.08% to 7.60% |
| Expected dividend yield | 0.18% to 0.45% | 0.25% to 0.50% |

35 Employee benefits

Defined contribution plans - General description

Provident fund & other funds:

During the year, the Company has recognised Rs. 717.74 lakhs (March 31, 2020 - Rs. 900.43 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 24).

Other long-term employee benefits - General description

Leave encashment:

Each employee is eligible to get one day earned leave for each completed month of service but entitlement arises only on completion of first year of service. Encashment of entitled leave is allowed only on separation subject to maximum accumulation of up to 24 days.

Notes to the standalone financial statements

for the year ended March 31, 2021

(All amounts are in INR 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 name of "Matrimony.com Limited Group Gratuity Trust" with Reliance Nippon Life Insurance Company Limited.

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Recognized in profit or loss: | | |
| Current service cost | 100.96 | 86.17 |
| Net interest cost on net benefit obligation / assets | 4.70 | 6.14 |
| | 105.66 | 92.31 |
| Recognized in other comprehensive income: | | |
| Re-measurement losses arising from changes in financial and demographic assumptions | 0.94 | 92.09 |
| | 0.94 | 92.09 |
| Net benefit expense | 106.60 | 184.40 |

Plan liability / (asset) are as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Defined benefit obligation | 778.20 | 769.47 |
| Fair value of plan assets | (668.97) | (576.83) |
| Plan liability / (asset) - (net) | 109.23 | 192.64 |

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Opening defined benefit obligation at the beginning of the year | 769.47 | 651.24 |
| Current service cost | 100.96 | 86.17 |
| Interest cost | 34.27 | 39.87 |
| Re-measurement (gain) / losses on obligation | (9.67) | 84.69 |
| Benefits paid | (116.83) | (92.50) |
| Closing defined benefit obligation | 778.20 | 769.47 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

35 Employee benefits (continued)

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Fair value of plan assets at the beginning of the year | 576.83 | 473.00 |
| Expected return on plan assets | 29.57 | 33.73 |
| Contributions | 190.00 | 170.00 |
| Benefits paid | (116.83) | (92.50) |
| Re-measurement losses on plan assets | (10.60) | (7.40) |
| Fair value of plan assets at the end of the year | 668.97 | 576.83 |

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------------------|--|--|
| Discount rate | 3.87% | 4.82% |
| Expected rate of return on assets | 3.87% | 4.82% |
| Salary escalation | Band 1 to 5: 5%/6%/6%/6%/6% | Band 1 to 5: 5%/6%/6%/6%/6% |
| Employee turnover | Band 1 to 5: 99%/39%/39%/27%/32% | Band 1 to 5: 99%/39%/39%/27%/32% |

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. 109 lakhs to the gratuity fund in the next year. However, the actual contribution by the Company will be based in the actuarial valuation report received from the insurance Group.

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity plan

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Investments details: | | |
| Funds with Reliance Nippon Life Insurance Company Limited | 668.97 | 576.83 |
| Total | 668.97 | 576.83 |

These funds have been invested into corporate bonds and money market funds, consequently the Company is not exposed to any equity market risks.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

35 Employee benefits (continued)

A quantitative sensitivity analysis for significant assumption is shown below:

Gratuity plan:

| Assumptions | March 31, 2021 | | | | | |
|---|----------------|---------------|-------------------------|---------------|----------------|---------------|
| | Discount rate | | Future salary increases | | Attrition rate | |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation | (8.26) | 8.50 | 9.19 | (9.07) | (1.26) | 1.29 |

| Assumptions | March 31, 2020 | | | | | |
|---|----------------|---------------|-------------------------|---------------|----------------|---------------|
| | Discount rate | | Future salary increases | | Attrition rate | |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation | (7.95) | 8.18 | 9.01 | (8.88) | (0.98) | 1.00 |

The sensitivity analysis above has 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, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Within the next 12 months (next annual reporting period) | 347.91 | 343.22 |
| Between 1 and 5 years | 381.96 | 394.92 |
| Between 5 and 10 years | 101.41 | 101.42 |
| Total expected payments | 831.28 | 839.56 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.7 years (March 31, 2020: 2.7 years)

36 Commitment and contingencies

(a) Capital commitments (net of advances and deposit)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Capital commitments (net of advances and deposit) | 111.63 | 86.47 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

36 Commitment and contingencies (continued)

(b) Leases

Lease commitments — Company as lessee

The Company has entered into leases for office premises and retail outlets. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The lease terms varies from 10 months to 9 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| Particulars | 2021 | 2020 |
|-----------------------|-----------------|-----------------|
| As at April 1 | 5,689.99 | 4,789.12 |
| Additions | 1,046.29 | 2,516.16 |
| Depreciation expense | 1,389.44 | 1,615.29 |
| As at 31 March | 5,346.84 | 5,689.99 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | | |
|-----------------------|-----------------|-----------------|
| As at April 1 | 6,119.26 | 5,194.53 |
| Additions | 1,016.73 | 2,397.30 |
| Accretion of Interest | 465.32 | 509.07 |
| Payments | 1,630.26 | 1,981.64 |
| As at 31 March | 5,971.05 | 6,119.26 |
| Current | 1,183.56 | 1,486.31 |
| Non-current | 4,787.49 | 4,632.95 |

For the maturity analysis of lease liabilities, refer note 40.

The effective interest rate for lease liabilities is 7.7%, with maturity between 2021-2029.

The following are the amounts recognised in profit or loss:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Depreciation expense of right-of-use assets | 1,389.44 | 1,615.29 |
| Interest expense on lease liabilities | 465.32 | 509.07 |
| Loss / (Gain) on closure of leased locations | (138.05) | - |
| Total amount recognised in profit or loss | 1,716.71 | 2,124.36 |

The Company had total cash outflows for leases of Rs 1,630.26 in March 31, 2021 (Rs 1,981.64 in March 31, 2020). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs 1,016.73 in March 31, 2021 (Rs 2,397.30 lakhs in March 31, 2020).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 33).

As at March 31, 2021, the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not expected to be exercised and not included in the lease term is Rs. Nil (As at March 31, 2020, Rs. 721.81 lakhs).

Notes to the standalone financial statements

for the year ended March 31, 2021

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

36 Commitment and contingencies (continued)

The Ministry of Corporate Affairs notified amendment to Ind AS 116, "Leases", that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. The Company has met the conditions and elected to account for rent concessions related to COVID-19 the same way as if they were not lease modifications. Accordingly, the Company has recognized Rs. 240.14 lakhs as reversal of lease liability with a corresponding adjustment to the right-of-use asset during the current year and the impact on profit or loss is been recongised over the period of time.

(c) Other contingent liabilities

Summary:

i) Matters wherein management has concluded the company's liability to be probable have accordingly been provided for in the books. Also, Refer Note 20.

ii) Matters wherein management has concluded the company's liability to be possible have accordingly been disclosed under this note.

iii) Matters wherein management is confident of succeeding in these litigations and have concluded the company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|---------------------------|---------------------------|
| Additional liability due to Payment of Bonus Act Retrospective Amendment | Refer note (i) below | Refer note (i) below |
| Income tax | Refer note (ii) below | Refer note (ii) below |
| Consumer litigations | Refer note (iii) below | Refer note (iii) below |
| Interest pertaining to Provident Fund demand | Refer note (iv) below | Refer note (iv) below |
| Service tax | Refer note (v) below | Refer note (v) below |

Note:

(i) During the year 2016-17, the Company has obtained stay against the retrospective implementation of Payment of Bonus (Amendment) Act, 2015 with the Madras High Court for the year 2014-15, contending that such retrospective application is unconstitutional, ultra-vires and void. The impact of such change for the financial year 2014-15 is Rs. 55.00 lakhs. Based on the legal advice, management believes that it has a fair chance of defending its position. Accordingly, no provision has been maintained with respect to the financial year 2014-15. The Company has implemented Payment of Bonus (Amendment) Act, 2015 w.e.f April 1, 2015.

(ii) (a) The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2008-09 and 2009-10 with additions in relation to the disallowance of reimbursement of webhosting charges and marketing expenses incurred by wholly owned subsidiaries of the Company on Company's behalf aggregating to Rs. 1,032.96 lakhs, due to non-deduction of withholding taxes on the same. The Company received favourable orders from Income Tax Appellate Tribunal (ITAT) for Assessment year 2008-09 and Assessment year 2009-10, against which Deputy Commissioner of Income Tax (DCIT) has filed appeal with High Court. Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceedings would be favourable.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

(c) Other Contingent liabilities (Continued)

(b) The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2014-15 and 2015-16 with additions in relation to the disallowance of online marketing expenses paid to vendors outside India aggregating to Rs. 520.06 lakhs, due to non-deduction of withholding taxes on the same. The Company has filed appeal with Income Tax Appellate Tribunal (ITAT) on dismissal of its appeal with CIT (A). Management believes that the ultimate outcome of this proceedings would be favourable.

(iii) Liabilities arising out of legal cases filed against the company in various courts/ consumer redressal forums, consumer courts, disputed by the Company aggregates to Rs. 122.33 lakhs.

(iv) As more fully explained in Note 20, the total Interest obligation and damages on Provident Fund demand raised by Employee Provident Fund Organisation are estimated to be Rs. 139.07 lakhs and Rs. 162.91 lakhs respectively. The company, on a prudent basis, has made total provision aggregating to Rs. 256.39 lakhs towards PF dues for past periods relating to identifiable employees (including interest of Rs. 75.90 lakhs) and base liability due for employees whose details are not identifiable as at March 31, 2021. However, based on legal advice obtained and management assessment in this regard, no provision is deemed necessary towards interest on PF demanded for employees whose details are not identifiable as well as penalty. Accordingly, interest obligation and damages of Rs 63.16 lakhs and Rs 162.91 Lakhs respectively are disclosed as a contingent liability.

(v) The Company received a demand order of Rs 350.14 lakhs along with interest and penalty from Commissioner of Service Tax for non-payment of service tax on certain services made during the period FY 2008-09 to 2012-13. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and has filed appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT) and has deposited Rs. 26.26 lakhs towards statutory pre-deposit for filing appeal. As a matter of prudence, the Company has provided Rs 13.69 lakhs for service tax demand and Rs 25.82 lakhs for interest during FY 2019-20 and an additional amount of 3.12 lakhs during FY 2020-21. Based on evaluation of the technical position as well as legal advice obtained from experts, the management believes that the ultimate outcome of this proceedings would be favourable. Accordingly, the Company has disclosed the balance demand amount of Rs 336.46 lakhs and interest and penalty aggregating to Rs 951.43 lakhs as contingent liability (also refer note 20).

37 Related party disclosures

a. Names of related parties

| Relationship | Names of related parties |
|--|---|
| Subsidiaries | Sys India Private Limited, India Consim Info USA Inc., USA Matrimony DMCC, Dubai |
| Associate | Astro Vision Futuretech Private Limited (from February 11, 2020)* |
| Enterprises owned or significantly influenced by key management personnel or their relatives | Infonauts Inc., USA (till July 28, 2020) Consim Direct Mauritius Limited |
| Key Management Personnel (KMP) | Mr. Murugavel Janakiraman, Managing Director Mr. Sushanth S Pai, Chief Financial Officer Mr. S Vijayanand , Company Secretary |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

37 Related party disclosures (continued)

a. Names of related parties

| Relationship | Names of related parties |
|-----------------------|--|
| Relatives of KMP | Mr. Ravi Janakiraman (till August 31, 2020) Mrs. Deepa Murugavel |
| Independent directors | Mr. Milind Shripad Sarwate Mr. George Zacharias Mr. Chinni Krishnan Ranganathan Mrs. Akila Krishnakumar Mr. S M Sundaram (from March 11, 2021) |

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, 2021 and March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 10 and Note 17(a) for Trade receivables and Trade payables respectively).

* For details , refer note 4 " Non current investments"

Notes to the standalone financial statements for the year ended March 31, 2021

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

37

Related party disclosures (continued)

b. Transactions with related parties:

Particulars

| | Year ended | | | | | | |
|--|------------------------|--|-----------------------|--------------------------------|---------------------------------------|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2020 |
| | Subsidiaries/Associate | Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested | Independent Directors | Key Management Personnel (KMP) | Relatives of Key Management Personnel | | |
| Advertisement expenses | | | | | | | |
| - Sys India Private Limited | 19.55 | 19.18 | - | - | - | - | - |
| - Consim Info USA Inc. | 25.04 | 27.25 | - | - | - | - | - |
| - Astro Vision Futuretech Private Limited | 18.37 | 1.88 | - | - | - | - | - |
| Expenses made by related parties on behalf of Company | | | | | | | |
| - Sys India Private Limited | 373.21 | 560.12 | - | - | - | - | - |
| - Consim Info USA Inc. | 257.01 | 272.98 | - | - | - | - | - |
| Agency commission income | | | | | | | |
| - Sys India Private Limited | 16.80 | 16.80 | - | - | - | - | - |
| Business license fee | | | | | | | |
| - Matrimony DMCC | 163.23 | 152.83 | - | - | - | - | - |
| Investment in associate during the year | | | | | | | |
| - Astro Vision Futuretech Private Limited | - | 614.44 | - | - | - | - | - |
| Loans and advances given to/(realised from) related parties | | | | | | | |
| - Matrimony DMCC | - | (54.85) | - | - | - | - | - |
| Interest income | | | | | | | |
| - Matrimony DMCC | - | 1.13 | - | - | - | - | - |
| Dividend received | | | | | | | |
| - Matrimony DMCC | 259.52 | 169.66 | - | - | - | - | - |
| Compensation of KMPs & relative of KMPs | | | | | | | |
| Short term employee benefits* | - | - | - | - | 361.59 | 282.80 | 11.32 |
| Share based payment expenses | - | - | - | - | 9.84 | 10.78 | - |
| Dividend paid to KMPs & relative of KMPs | | | | | | | |
| Dividend paid | - | - | - | - | 401.79 | 172.20 | 0.06 |
| Remuneration and Dividend to Directors | | | | | | | |
| Sitting fees | - | - | 74.50 | 64.50 | - | - | - |
| Commission# | - | - | 25.29 | 25.00 | - | - | - |
| Dividend paid | - | - | 1.75 | 0.75 | - | - | - |

* The remuneration to the key managerial personnel and relative of 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.

Commission to directors has been disclosed on accrual basis.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

37 Related party disclosures (continued)

c. Balances with related parties:

| Particulars | As at | | | | | |
|---|------------------------|-------------------|--|-------------------|--|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| | Subsidiaries/Associate | | Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested | | Key Management Personnel & Relatives of Key Management Personnel | |
| Trade payables | | | | | | |
| - Sys India Private Limited | - | 20.67 | - | - | - | - |
| - Astro Vision Futuretech Private Limited | 5.90 | 1.25 | - | - | - | - |
| Trade receivables | | | | | | |
| - Consim Info USA Inc. | 399.54 | 97.49 | - | - | - | - |
| - Matrimony DMCC | 14.52 | 11.16 | - | - | - | - |
| - Sys India Private Limited | 38.97 | - | - | - | - | - |

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 offers marriage services consisting of WeddingBazaar services, MatrimonyMandap services and Photography services.

The Management Committee headed by Managing Director consisting of Chief Financial Officer and Heads of Departments have identified the above two reportable business segments. The committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| A. Segment revenue | | |
| External sales | | |
| - Matchmaking services | 37,062.16 | 35,572.51 |
| - Marriage services and related sale of products | 215.65 | 1,139.18 |
| Total revenue | 37,277.81 | 36,711.69 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

38 Segment reporting (continued)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Segment expenses | | |
| Employee benefits expense | | |
| - Matchmaking services | 10,788.53 | 12,626.49 |
| - Marriage services and related sale of products | 1,103.39 | 1,973.55 |
| Advertisement and business promotion expense | | |
| - Matchmaking services | 13,723.68 | 10,249.17 |
| - Marriage services and related sale of products | 24.20 | 113.42 |
| Other expenses | | |
| - Matchmaking services | 3,970.00 | 4,573.23 |
| - Marriage services and related sale of products | 67.99 | 750.78 |
| Depreciation, amortisation | | |
| - Matchmaking services | 2,511.70 | 2,653.92 |
| - Marriage services and related sale of products | 14.61 | 83.46 |
| Finance charges | | |
| - Matchmaking services | 462.63 | 493.27 |
| - Marriage services and related sale of products | 2.69 | 15.80 |
| B. Segment results | | |
| - Matchmaking services | 5,605.62 | 4,976.43 |
| - Marriage services and related sale of products | (997.23) | (1,797.83) |
| Total | 4,608.39 | 3,178.60 |
| Reconciliation of profit | | |
| Segment profit | 4,608.39 | 3,178.60 |
| Unallocable expenses | 1,229.88 | 1,312.22 |
| Other finance costs | 15.86 | 20.31 |
| Unallocable income | (2,020.62) | (1,978.27) |
| Profit before tax | 5,383.27 | 3,824.34 |
| C. Capital expenditure | | |
| - Matchmaking services | 597.76 | 1,076.72 |
| - Marriage services and related sale of products | 89.01 | 45.66 |
| - Unallocable | 282.98 | 182.87 |
| Total capital expenditure | 969.75 | 1,305.25 |

Notes to the standalone financial statements

for the year ended March 31, 2021

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

38 Segment reporting (continued)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| D. Depreciation / amortisation | | |
| - Matchmaking services | 2,511.70 | 2,653.92 |
| - Marriage services and related sale of products | 14.61 | 83.46 |
| - Unallocable | 63.44 | 55.09 |
| Total depreciation / amortisation | 2,589.75 | 2,792.47 |
| E. Non-cash items other than depreciation / amortisation | | |
| - Matchmaking services | 306.43 | (0.24) |
| - Marriage services and related sale of products | (53.59) | 105.42 |
| - Unallocable | (382.93) | 186.23 |
| Total non-cash items other than depreciation / amortisation | (130.09) | 291.41 |
| Revenue from external customers | | |
| Segment revenue | | |
| - India | 31,750.54 | 31,943.09 |
| - Outside India | 5,527.27 | 4,768.60 |
| Total revenue | 37,277.81 | 36,711.69 |
| The revenue information above is based on the location of the customers | | |
| Non current operating assets | | |
| - India | 7,311.38 | 7,611.83 |
| Total | 7,311.38 | 7,611.83 |
| Non-current assets for this purpose consists of property, plant and equipment and intangible assets. | | |
| Other disclosures | | |
| Capital expenditure | 969.75 | 1,305.25 |

Note:

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

2) The company delivers matchmaking services to its users in India and the Indian diaspora through its websites, mobile sites and mobile apps complemented by its 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, 2021

(All amounts are in INR 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, 2021:

| Quantitative disclosures for fair value measurement hierarchy for assets as at March 31, 2021 | | | | | |
|---|-------------------|------------------------------|--|---|---|
| Particulars | Date of valuation | Fair value measurement using | | | |
| | | 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, 2021 | 8,501.23 | 8,501.23 | - | - |

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

| | | | | | |
|-------------------------------------|----------------|-----------|-----------|---|---|
| Asset measured at fair value | | | | | |
| FVTPL financial investments: | | | | | |
| Unquoted mutual funds | March 31, 2020 | 12,035.03 | 12,035.03 | - | - |

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 its Risk Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, trade payables, FVTPL investments and receivables.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

40 Financial risk management objectives and policies (continued)

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 its business or results of operations.

Interest rate sensitivity

The Company's overdraft balance has resulted in cash surplus amounting to Rs. 112.86 lakhs as at March 31, 2021. Consequent to this, Company does not have any risk of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an expenses will fluctuate because of change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a foreign currency) and the Company's net investment in foreign subsidiary.

The majority of the Company's revenue and expenses are in Indian Rupees, however significant percentage of revenue are denominated in US dollars. Based on Management's decision, the Company has not entered into foreign exchange forward contracts to cover its foreign exchange exposure from January 2020 onwards. The Company monitors the exposure due to foreign currency fluctuations and decides to hedge based on its internal policy.

The Impact of unhedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

| | Change in USD and AED rate | Effect on profit before tax | Effect on pre-tax equity |
|----------------|-------------------------------|--------------------------------|-----------------------------|
| March 31, 2021 | 5% | 19.98 | 19.98 |
| | -5% | (19.98) | (19.98) |
| March 31, 2020 | 5% | 3.09 | 3.09 |
| | -5% | (3.09) | (3.09) |

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.

Notes to the standalone financial statements

for the year ended March 31, 2021

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

40 Financial risk management objectives and policies (continued)

Credit risk (continued)

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Risk Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 28,083.26 lakhs, 23,248.14 lakhs as at March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of balances with banks, fixed term deposits with banks, investment in mutual funds and other financial assets excluding equity investments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's prime source of liquidity is cash and cash equivalent and the cash generated from operations. In addition, Company has overdraft facility with HDFC bank. The Company invests its surplus funds in bank, fixed deposits and mutual funds, which carry minimal mark to market risks.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| | On demand | Less than 1 year | 1 to 3 years | > 3 years | Total |
|---------------------------------------|-----------|---------------------|-----------------|-----------------|------------------|
| As at March 31, 2021 | | | | | |
| Provisions | - | 669.61 | - | - | 669.61 |
| Lease liabilities (refer note 36 (b)) | - | 1,551.48 | 2,194.86 | 3,899.79 | 7,646.13 |
| Trade and other payables | - | 3,842.86 | - | - | 3,842.86 |
| | - | 6,063.95 | 2,194.86 | 3,899.79 | 12,158.60 |
| As at March 31, 2020 | | | | | |
| Provisions | - | 744.69 | - | - | 744.69 |
| Lease liabilities (refer note 36 (b)) | - | 1,974.20 | 2,475.00 | 3,145.90 | 7,595.10 |
| Trade and other payables | - | 3,244.12 | - | - | 3,244.12 |
| | - | 5,963.01 | 2,475.00 | 3,145.90 | 11,583.91 |

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. 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. The Company's policy for capital management aims to enhance capital efficiency by the long-term improvement of its value through business growth, while maintaining a sound financial structure. Indicators for monitoring the capital management include total equity attributable to owners of the Company and ROCE (ratio of earnings before net interest and tax to total capital employed of the Company).

Notes to the standalone financial statements

for the year ended March 31, 2021

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

41 Capital management (continued)

| Return on Capital Employed | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Profit Before Taxes | 5,383.27 | 3,824.34 |
| Less: Finance Income | (1,440.57) | (1,634.05) |
| Add: Finance Cost | 481.18 | 523.55 |
| Earning before Net Interest and Tax | 4,423.88 | 2,713.84 |
| Equity Share Capital | 1,143.58 | 1,138.31 |
| Other Equity | 24,954.20 | 21,428.63 |
| Capital Employed | 26,097.78 | 22,566.94 |
| ROCE | 17% | 12% |

42 Events after the reporting period

The Board of Directors, at its meeting held on May 11, 2021 have recommended a final dividend of 70% (Rs 3.50 per equity share of par value of Rs 5 each), subject to the approval of the Shareholders.

43 Previous year comparatives

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

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

For and on behalf of the Board of Directors of

Matrimony.com Limited

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Independent Auditor's Report

To the Members of Matrimony.com Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Matrimony.com Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the Consolidated Balance sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and its associate, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements.

The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS Financial Statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Accuracy and completeness of Matchmaking Revenue <i>(as described in Note 2.4(h) and Note 19 of the Consolidated Ind AS financial statements)</i> | |
| Matchmaking services revenues of the Group for the year ended March 31, 2021 constitutes a significant percentage of the total revenue and majority of such revenues are generated through online services. The Group has processes and controls, many of them automated, to ensure that transactions are processed and recorded appropriately. | As an audit response to address this matter, we performed a walkthrough to gain an understanding of the revenue process (including the compliance with revenue recognition requirements of Ind AS 115) to develop an appropriate audit strategy and performed following procedures: |
| Improper configuration of the IT systems or system generated reports could lead to material misstatement of revenues, accordingly we identified the above as a significant risk in our audit. | <ul style="list-style-type: none"> Involved IT specialists to test relevant IT general controls, application controls and appropriateness of system generated reports; Tested relevant manual and IT dependent controls relating to revenue process including the controls relating to data migration between the operational system and financial accounting system; Tested the completeness and accuracy of the data extracted from the aforesaid systems and performed recalculations to verify the appropriateness of revenue recognized (including cut off procedures) on a test basis; Tests of details for the sample revenue transactions; Assessed the reconciliation of unearned revenue and collections performed by the management and performed sample tests on the same; |
| Therefore, we considered this risk to be a key audit matter in our audit of the financial statements for year ended March 31, 2021. | <ul style="list-style-type: none"> Read the accounting policies for revenue recognition in the financial statements; Performed analytical procedures over disaggregated data of revenue transactions during the audit period to identify any unusual trends / patterns warranting additional audit procedures; and Read the disclosures made by the management in the financial statements; |

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the

Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate 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 of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

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

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

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of Rs 922.02 lakhs as at March 31, 2021, and total revenues of Rs 719.01 lakhs and net cash inflows of Rs 152.68 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. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of Rs.57.19 Lakhs for the year ended March 31, 2021, as considered in the Consolidated Ind AS Financial Statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose 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 associate, and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 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 and associate company, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to Consolidated Ind AS Financial Statements of the Holding Company, its subsidiary company, incorporated in India, refer to our separate Report in "Annexure 1" to this report; Based on the information and explanation provided to us, the Company's associate incorporated in India is exempted from reporting on internal financial controls over financial reporting vide MCA notification no G.S.R 583(E) dated June 13, 2017 read with corrigendum date July 13, 2017;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company, its subsidiaries and its associate incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its associate, 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, its associate in its Consolidated Ind AS Financial Statements – Refer Note 35 (c) to the Consolidated Ind AS Financial Statements;

- ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2021.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

UDIN: 21221268AAAACX2591

Place of Signature: Chennai

Date: May 11, 2021

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, 2021, we have audited the internal financial controls over financial reporting of Matrimony.com Limited (hereinafter referred to as the "Holding Company") and its subsidiary company incorporated in India, as of that date. The Holding Company's associate incorporated in India is exempted from reporting on internal controls over financial reporting vide MCA notification no. G.S.R. 583 [E] dated June 12, 2017, read with corrigendum dated July 13, 2017.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary company which is company incorporated in India, has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements were operating effectively as at March 31, 2021, 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.

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements of the Holding Company, insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Aravind K

Partner

Membership Number: 221268

Place of Signature: Chennai

Date: May 11, 2021

This page is intentionally left blank

Consolidated Balance Sheet

as at March 31, 2021

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

| | Notes | As at March 31, 2021 | As at March 31, 2020 |
|---|--------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 7,027.09 | 7,296.71 |
| Right of use assets | | 5,346.84 | 5,689.99 |
| Intangible assets | 3 | 294.63 | 327.94 |
| Intangible assets under development | | - | 6.62 |
| Investment in associate | | 551.39 | 608.02 |
| Financial assets | | | |
| (a) Security deposits | 4 | 596.99 | 858.75 |
| (b) Bank balances other than cash and cash equivalents | 6 | 0.75 | 0.75 |
| Deferred tax assets (net) | 11 | 195.18 | 181.11 |
| Income tax assets (net) | | 354.19 | 375.45 |
| Other non-current assets | 9 | 251.80 | 149.08 |
| | | 14,618.86 | 15,494.42 |
| Current assets | | | |
| Financial assets | | | |
| (a) Security deposits | 4 | 412.66 | 199.60 |
| (b) Cash and cash equivalents | 5 | 900.09 | 453.22 |
| (c) Bank balances other than cash and cash equivalents | 6 | 19,088.76 | 11,014.03 |
| (d) Investments | 8 | 8,501.23 | 12,035.03 |
| (e) Trade receivables | 10 | 747.29 | 362.19 |
| (f) Other financial assets | 7 | 570.55 | 461.91 |
| Other current assets | 9 | 428.18 | 476.68 |
| Assets held for sale | 3(b) | - | - |
| | | 30,648.76 | 25,002.66 |
| TOTAL ASSETS | | 45,267.62 | 40,497.08 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 12 | 1,143.58 | 1,138.31 |
| Other equity | 13 | | |
| (a) Securities premium account | | 12,821.75 | 12,594.90 |
| (b) Retained earnings | | 12,178.40 | 8,875.22 |
| (c) Share based payment reserve | | 141.85 | 164.49 |
| (d) Foreign currency translation reserve | | 44.12 | 51.20 |
| (e) Cash flow hedge reserve | | - | - |
| TOTAL EQUITY | A | 26,329.70 | 22,824.12 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (a) Lease liabilities | 16 | 4,787.49 | 4,632.95 |
| Other non-current liabilities | 17 | 2.92 | 14.54 |
| | | 4,790.41 | 4,647.49 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (a) Borrowings | 14 | - | - |
| (b) Trade payables | 15(a) | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | 5.39 | 3.95 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,856.52 | 3,102.13 |
| (c) Others payables | 15(b) | 10.73 | 206.89 |
| (d) Lease liabilities | 16 | 1,183.56 | 1,486.31 |
| Other current liabilities | 17 | 8,385.02 | 7,440.39 |
| Provisions | 18 | 677.21 | 755.11 |
| Liabilities for current tax (net) | | 29.08 | 30.69 |
| | | 14,147.51 | 13,025.47 |
| TOTAL LIABILITIES | B | 18,937.92 | 17,672.96 |
| TOTAL EQUITY AND LIABILITIES | (A+B) | 45,267.62 | 40,497.08 |
| Summary of significant accounting policies | 2.4 | | |
| The explanatory notes forms an integral part of the consolidated financial statements. | | | |

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

Place: Chennai

Date : May 11, 2021

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

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

Place: Chennai

Date : May 11, 2021

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

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

| | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|-------|------------------------------|------------------------------|
| Revenue from contracts with customers | 19 | 37,787.90 | 37,183.53 |
| Finance income | 20 | 1,440.62 | 1,632.95 |
| Other income | 21 | 304.84 | 152.98 |
| Total income | | 39,533.36 | 38,969.46 |
| Expenses | | | |
| Employee benefits expense | 22 | 12,725.87 | 15,346.38 |
| Advertisement and business promotion expenses | 25 | 13,728.32 | 10,343.41 |
| Other expenses | 26 | 4,580.45 | 6,044.43 |
| Depreciation and amortisation expense | 23 | 2,593.08 | 2,796.36 |
| Finance costs | 24 | 482.52 | 524.95 |
| Total expenses | | 34,110.24 | 35,055.53 |
| Profit before tax and share of profit / (loss) from associate | | 5,423.12 | 3,913.93 |
| Share of profit/ (loss) of associate | | (57.19) | (6.28) |
| Profit before tax | | 5,365.93 | 3,907.65 |
| Tax expense | | | |
| - Current income tax | 27 | 1,302.62 | 785.99 |
| - Current tax relating to earlier years | | - | (43.76) |
| - Deferred tax (net) | | (14.08) | 211.94 |
| Total tax expense | | 1,288.54 | 954.17 |
| Profit for the year (I) | | 4,077.39 | 2,953.48 |
| Other comprehensive income: | 28 | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement gain / (loss) on defined benefit obligations | | (0.94) | (92.09) |
| Income tax effect | | 0.24 | 23.18 |
| Share of OCI in Associate | | 0.56 | (0.13) |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A) | | (0.14) | (69.04) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | |
| Net movement on cash flow hedge reserve | | - | (54.22) |
| Exchange difference on translation of foreign operations | | (7.09) | 17.42 |
| Income tax effect | | - | 18.95 |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B) | | (7.09) | (17.85) |
| Other comprehensive income for the year, net of tax (A+B) (II) | | (7.23) | (86.89) |
| Total comprehensive income for the year, net of tax (I + II) | | 4,070.16 | 2,866.59 |
| Net Profit for the year attributable to: | | 4,077.39 | 2,953.48 |
| - Owners of the Company | | 4,077.39 | 2,953.48 |
| - Non-controlling interests | | - | - |
| Total comprehensive income for the year attributable to: | | 4,070.16 | 2,866.59 |
| - Owners of the Company | | 4,070.16 | 2,866.59 |
| - Non-controlling interests | | - | - |
| Earnings per share of INR 5 each | 29 | | |
| Basic earnings per share | | 17.90 | 12.99 |
| Diluted earnings per share | | 17.88 | 12.95 |
| Summary of significant accounting policies | 2.4 | | |
| The explanatory notes forms an integral part of the consolidated financial statements. | | | |

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

Place: Chennai

Date : May 11, 2021

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

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

Place: Chennai

Date : May 11, 2021

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

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

a. Equity share capital:

| Equity shares of INR 5 each issued, subscribed and fully paid | No. of shares | Amount |
|---|-------------------|-----------------|
| As at April 1, 2019 | 22,729,356 | 1,136.47 |
| Issue of equity shares (Note 12) | 36,817 | 1.84 |
| As at March 31, 2020 | 22,766,173 | 1,138.31 |
| Issue of equity shares (Note 12) | 105,383 | 5.27 |
| As at March 31, 2021 | 22,871,556 | 1,143.58 |

b. Other equity

For the year ended March 31, 2021

| Particulars | Securities premium reserve (Note 13) | Retained earnings (Note 13) | Share-based payments reserve (Note 13) | Items of OCI | | Total other equity |
|--|--------------------------------------|-----------------------------|--|--|-----------------------------------|--------------------|
| | | | | Foreign currency translation reserve (Note 13) | Cash flow hedge reserve (Note 13) | |
| As at April 1, 2020 | 12,594.90 | 8,875.22 | 164.49 | 51.20 | - | 21,685.81 |
| (1) Profit for the year | - | 4,077.39 | - | - | - | 4,077.39 |
| (2) Other comprehensive income (Note 28) | - | (0.14) | - | (7.08) | - | (7.22) |
| (1)+(2) Total comprehensive income | - | 4,077.25 | - | (7.08) | - | 4,070.17 |
| Exercise of share options (Note 33) | 226.85 | - | (71.55) | - | - | 155.30 |
| Share based payment expenses (Note 22) | - | - | 71.80 | - | - | 71.80 |
| Transferred from share-based payments reserve upon lapse vested of stock options | - | 22.89 | (22.89) | - | - | - |
| Cash dividends (including dividend distribution tax) | - | (796.96) | - | - | - | (796.96) |
| As at March 31, 2021 | 12,821.75 | 12,178.40 | 141.85 | 44.12 | - | 25,186.12 |

For the year ended March 31, 2020

| | | | | | | |
|--|------------------|-----------------|---------------|--------------|----------------|------------------|
| As at April 1, 2019 | 12,539.84 | 6,393.37 | 112.44 | 33.77 | 35.27 | 19,114.69 |
| (1) Profit for the year | - | 2,953.48 | - | - | - | 2,953.48 |
| (2) Other comprehensive income (Note 28) | - | (69.04) | - | 17.43 | (35.27) | (86.88) |
| (1)+(2) Total comprehensive income | - | 2,884.44 | - | 17.43 | (35.27) | 2,866.60 |
| Exercise of share options (Note 33) | 55.06 | - | (17.13) | - | - | 37.93 |
| Share based payment expenses (Note 22) | - | - | 77.70 | - | - | 77.70 |
| Transferred from share-based payments reserve upon lapse vested of stock options | - | 8.52 | (8.52) | - | - | - |
| Cash dividends (including dividend distribution tax) | - | (411.11) | - | - | - | (411.11) |
| As at March 31, 2020 | 12,594.90 | 8,875.22 | 164.49 | 51.20 | - | 21,685.81 |

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

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

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

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Consolidated Statement of Cash flows

for the year ended March 31, 2021

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

| Particulars | Notes | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|-------|------------------------------|------------------------------|
| Cash flow from / (used in) operating activities | | | |
| Profit before tax | | 5,365.93 | 3,907.65 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Depreciation and amortisation expense | 23 | 2,593.08 | 2,796.36 |
| Share of (profit) / loss of associate | | 57.19 | 6.40 |
| Impact of fair value changes of interest free security deposits (net) | 20 | (61.54) | (66.44) |
| (Profit) / loss on sale / write-off of property, plant and equipment (net) | | (1.72) | (4.38) |
| Unrealised foreign exchange (gain) / loss | | 24.96 | 17.18 |
| Gain on preclosure of lease agreement | | (138.05) | - |
| Impairment of financial assets | 26 | 34.87 | 105.42 |
| Impairment loss on asset held for sale (including reversals) | 26 | (56.29) | 65.44 |
| Share based payment expenses | 22 | 71.80 | 77.70 |
| Provision for litigation | | 5.83 | 112.68 |
| Liabilities no longer required written back | 21 | (3.37) | (0.38) |
| Interest expense | 24 | 470.84 | 512.63 |
| Fair value (gain) / loss on mutual fund investments at fair value through profit / loss | 20 | (481.30) | (981.41) |
| Interest income | 20 | (897.78) | (585.10) |
| Operating profit before working capital changes | | 6,984.45 | 5,963.75 |
| Movement in working capital : | | | |
| (Increase) / decrease in financial assets | | (299.54) | 3.31 |
| (Increase) / decrease in other assets | | (100.42) | 29.64 |
| Increase / (decrease) in trade payables | | 859.29 | 995.48 |
| Increase / (decrease) other liabilities | | 936.38 | (483.12) |
| Increase / (decrease) in long / short term provisions | | (84.66) | (60.51) |
| Cash generated from / (used in) operations | | 8,295.50 | 6,448.55 |
| Income taxes paid (net of refunds) | | (1,282.73) | (740.14) |
| Net cash flow from / (used in) operating activities (A) | | 7,012.77 | 5,708.41 |
| Cash flow from / (used in) investing activities | | | |
| Purchase of property, plant and equipment including intangible assets | | (1,006.87) | (1,170.15) |
| Proceeds from sale of property, plant and equipment | | 20.83 | 18.36 |
| Investment in associate | | - | (614.43) |
| Proceeds from sale of Mutual Funds | | 11,100.13 | 11,271.39 |
| Purchase of Mutual Funds | | (7,085.03) | (8,650.00) |
| Interest received | | 753.63 | 500.03 |
| Redemption of bank deposits (with maturity more than three months) | | 11,014.78 | 6,217.37 |
| Investment in bank deposits (with maturity more than three months) | | (19,089.51) | (11,014.03) |
| Net cash flow / (used in) investing activities (B) | | (4,292.04) | (3,441.46) |
| Cash flows from / (used in) financing activities | | | |
| Proceeds from issue of share capital (including securities premium) | | 160.58 | 39.77 |
| Dividend paid (Including dividend distribution tax) | | (796.96) | (411.11) |
| Payment of principal portion of lease liabilities | | (1,164.90) | (1,472.58) |
| Interest paid | | (470.85) | (512.63) |
| Net cash flow from / (used in) financing activities (C) | | (2,272.13) | (2,356.55) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | | 448.60 | (89.60) |
| Effect of exchange differences on cash & cash equivalents held in foreign currency | | (1.73) | 0.40 |
| Cash and cash equivalents at the beginning of the year | | 453.22 | 542.42 |
| Cash and cash equivalents at the end of the year (refer note 5) | | 900.09 | 453.22 |

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

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

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

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Corporate
Overview

Statutory
Reports

Management Discussion
& Analysis Report

Business Responsibility
Report

Financial Statements
Standalone

Financial Statements
Consolidated

Notes to the consolidated financial statements

for the year ended March 31, 2021

1. Corporate information

The consolidated financial statements comprise financial statements of Matrimony.com Limited (the 'Company') and its subsidiaries (collectively, 'the Group') and its associate for the year ended March 31, 2021. Matrimony.com Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Group offers online matchmaking services on internet and mobile platforms. The Group delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India. Such services are primarily delivered online through popular domain specific web portals like BharatMatrimony.com, CommunityMatrimony.com, AssistedMatrimony.com and EliteMatrimony.com. Revenue comprises of membership subscription, assisted matrimonial service fees and sales from online advertising packages. The Group has expanded into marriage services such as Mandap & Wedding Bazaar, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers.

On September 21, 2017, the Company listed its equity shares with National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at TVH Belicia Towers, Tower II, 5th Floor, No. 94, MRC Nagar, Raja Annamalaipuram, Chennai - 600028.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 11, 2021.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. The 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 consolidated financial statements are presented in INR (its functional currency) and all values are rounded to the nearest lakhs, except where otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March 2021. 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

Notes to the consolidated financial statements

for the year ended March 31, 2021

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st 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.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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. COVID-19 Impact

The Group has considered the possible effects that may result from COVID-19 in the preparation of these financial statements, including the impact of this pandemic on its business operations, assessed the Group's liquidity position for the next one year and evaluated the recoverability and carrying value of its assets including Property, plant and equipment, Right of Use assets and Investments as at March 31, 2021. Based on its review, consideration of internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions relevant to the Group's operations, management has concluded that there are no adjustments required to the Group's financial statements. However, the estimated impact of COVID 19 might vary from the date of approval of these financial statements and the Group will continue to monitor any material changes to future economic conditions.

2.4. 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 is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

Notes to the consolidated financial statements

for the year ended March 31, 2021

- 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.

b) Property, plant and equipment

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

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

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

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

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets/ intangibles under development, 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.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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. The Company, based on technical assessment and review of history of asset usage, depreciates certain items of Computer and network equipment, Furniture and fixtures, Office equipment and Plant & machinery over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. 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. 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.

e) Leases

Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the consolidated financial statements

for the year ended March 31, 2021

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| Particulars | Years |
|--------------------|---------------------|
| Leasehold property | 10 months – 9 years |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

f) Borrowing cost

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

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

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

h) Revenue from contracts with customers and other income

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

The following specific recognition criteria must also be met before revenue is recognized:

Income from services

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

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

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

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

Interest income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest

Notes to the consolidated financial statements

for the year ended March 31, 2021

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.

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

i) Foreign currency transactions

The Group's financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies entered into by the Group are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

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.,

Notes to the consolidated financial statements

for the year ended March 31, 2021

translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

j) Retirement and other employee benefits

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

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

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

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

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

k) Government Grants

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

l) Taxes

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

Current income tax

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

m) Share based payments

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

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

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

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

n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

o) Contingent liabilities

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

p) Fair value measurement

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

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

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

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

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

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

q) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

Debt instruments at amortised cost

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

- 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 AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

De-recognition

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

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

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

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

Impairment of financial assets

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

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

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

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

For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that 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

Notes to the consolidated financial statements

for the year ended March 31, 2021

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 increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and borrowings

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

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

Financial guarantee contracts

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

De-recognition

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

Offsetting of financial instruments

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

r) Cash and cash equivalents

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

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

s) 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.

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led.

Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives /costs attributable to the enterprise as a whole and are not attributable to segments

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

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution

Notes to the consolidated financial statements

for the year ended March 31, 2021

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.

v) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit and loss.

Notes to the consolidated financial statements

for the year ended March 31, 2021

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

w) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

2.5 Changes in accounting policies and disclosures

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election

Notes to the consolidated financial statements

for the year ended March 31, 2021

accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1st April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1st April 2019. This amendment had no impact on the consolidated financial statements of the Group.

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1st April 2020. The amendments to the definition of material are not expected to have a significant impact on the Group's consolidated financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2021

(All amounts are in INR 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 | Vehicles | Total | Web domain | Portal development | Software | Total |
| Cost as at April 1, 2019 | 3,664.87 | 440.31 | 99.88 | 415.59 | 220.61 | 4,359.66 | 99.35 | 9,300.27 | 316.33 | 17.61 | 872.91 | 1,206.85 |
| Additions | 863.27 | 69.80 | 36.90 | 90.04 | - | - | - | 1,060.01 | 203.48 | 16.10 | 25.70 | 245.28 |
| Translation differences | 1.15 | (0.29) | 1.30 | - | - | - | - | 2.16 | - | - | - | - |
| Disposals | (177.11) | (57.30) | (17.00) | (40.35) | (50.53) | - | - | (342.29) | - | - | (18.48) | (18.48) |
| Assets held for sale (refer note b) | - | - | - | - | (170.08) | - | - | (170.08) | - | - | - | - |
| As at March 31, 2020 | 4,352.18 | 452.52 | 121.08 | 465.28 | - | 4,359.66 | 99.35 | 9,850.07 | 519.81 | 33.71 | 880.13 | 1,433.65 |
| Additions | 529.25 | 132.49 | 8.16 | 48.12 | 65.44 | - | - | 783.46 | 127.52 | - | 59.93 | 187.45 |
| Translation differences | (0.63) | (0.15) | (0.22) | - | - | - | - | (1.00) | - | - | - | - |
| Disposals | (296.85) | (127.11) | (23.30) | (207.09) | (65.44) | - | - | (719.79) | - | - | - | - |
| As at March 31, 2021 | 4,583.95 | 457.75 | 105.72 | 306.31 | - | 4,359.66 | 99.35 | 9,912.74 | 647.33 | 33.71 | 940.06 | 1,621.10 |
| Depreciation/Amortisation as at April 1, 2019 | 1,427.07 | 243.52 | 59.20 | 148.33 | 104.23 | - | 45.69 | 2,028.04 | 146.67 | 13.07 | 741.53 | 901.27 |
| Charge for the year | 691.96 | 82.57 | 29.27 | 95.51 | 43.67 | - | 15.21 | 958.19 | 117.26 | 4.45 | 101.21 | 222.92 |
| Translation differences | 0.88 | 0.24 | 0.58 | - | - | - | - | 1.70 | - | - | - | - |
| Disposals | (174.92) | (56.06) | (16.88) | (38.81) | (43.26) | - | - | (329.93) | - | - | (18.48) | (18.48) |
| Assets held for sale (refer note b) | - | - | - | - | (104.64) | - | - | (104.64) | - | - | - | - |
| As at March 31, 2020 | 1,944.99 | 270.27 | 72.17 | 205.03 | - | - | 60.90 | 2,553.36 | 263.93 | 17.52 | 824.26 | 1,105.71 |
| Charge for the year | 768.50 | 75.56 | 17.20 | 94.40 | 58.97 | - | 15.21 | 1,029.84 | 160.50 | 5.92 | 54.34 | 220.76 |
| Translation differences | (0.37) | (0.10) | (0.21) | - | - | - | - | (0.68) | - | - | - | - |
| Disposals | (295.79) | (123.42) | (23.09) | (195.60) | (58.97) | - | - | (696.87) | - | - | - | - |
| As at March 31, 2021 | 2,417.33 | 222.31 | 66.07 | 103.83 | - | - | 76.11 | 2,885.65 | 424.43 | 23.44 | 878.60 | 1,326.47 |
| Net Block | | | | | | | | | | | | |
| As at April 1, 2019 | 2,237.80 | 196.79 | 40.68 | 267.26 | 116.38 | 4,359.66 | 53.66 | 7,272.23 | 169.66 | 4.54 | 131.38 | 305.58 |
| As at March 31, 2020 | 2,407.19 | 182.25 | 48.91 | 260.25 | - | 4,359.66 | 38.45 | 7,296.71 | 255.88 | 16.19 | 55.87 | 327.94 |
| As at March 31, 2021 | 2,166.62 | 235.44 | 39.65 | 202.48 | - | 4,359.66 | 23.24 | 7,027.09 | 222.90 | 10.27 | 61.46 | 294.63 |
| Assets held for sale (refer note b) | - | - | - | - | - | - | - | - | - | - | - | - |

(a) The amount of borrowing costs capitalised during the year ended 31st March 2021 was Rs Nil (March 31, 2020: Rs Nil; April 1, 2019: Rs Nil).

(b) As at March 31, 2020, the management, basis its comprehensive evaluation of the photography business and the intention to move to lead-based model, has decided that the assets relating to photography business would no longer be used in its operations and these assets were readily available for immediate sale in its present condition and accordingly management has classified these assets held for sale and as a matter of prudence, the Company had provided for impairment loss for the carrying value of such assets amounting to Rs. 65.44 lakh to write down their value to Nil as at March 31, 2020. Subsequently, the Company was able to monetise these assets during the year ended March 31, 2021 and the impairment loss provided during the previous year has been reversed in the current year.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 4 Security deposits (at amortised cost) | | |
| Non-current | | |
| Security deposits | | |
| - Considered good | 596.99 | 858.75 |
| - Considered doubtful | 38.16 | 15.66 |
| | 635.15 | 874.41 |
| Less: impairment allowance on deposits | 38.16 | 15.66 |
| | 596.99 | 858.75 |
| Current | | |
| Security deposits | | |
| - Considered good | 412.66 | 199.60 |
| | 1,009.65 | 1,058.35 |
| 5 Cash and cash equivalents | | |
| Balances with banks on current accounts | 867.96 | 416.18 |
| Cheques on hand | 11.82 | 3.58 |
| Cash on hand | 20.31 | 33.46 |
| | 900.09 | 453.22 |
| 6 Bank balances other than cash and cash equivalents (at amortised cost) | | |
| Non-current | | |
| Deposits with original maturity for more than 12 months | 0.75 | 0.75 |
| Current | | |
| Deposits with original maturity of more than 3 months but less than 12 months * | 19,088.76 | 11,014.03 |

*The Group had pledged Rs. 1,000.00 lakhs as on March 31, 2021 (Rs. 1,000.00 lakhs as on March 31, 2020) of its deposits to fulfil collateral requirements relating to the overdraft facility with HDFC bank which is repayable on demand. Subsequent to year end, the Company has closed the said overdraft facility in April 2021.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 7 Other financial assets (at amortised cost) | | |
| Interest accrued on fixed deposits | 558.90 | 414.75 |
| Loans to employees | | |
| - Considered good | 11.65 | 43.95 |
| - Considered doubtful | 3.91 | 3.91 |
| | 15.56 | 47.86 |
| Less: impairment allowance | 3.91 | 3.91 |
| | 11.65 | 43.95 |
| Other receivables from related parties (refer note 36) | - | 3.21 |
| | 570.55 | 461.91 |
| 8 Investments (at fair value through profit and loss) | | |
| Investment in mutual funds | | |
| 55,030.99 units (March 31, 2020: 60,800.82 units) Kotak Money Market Scheme Growth | 1,907.89 | 2,006.62 |
| 6,84,164.15 units (March 31, 2020: 7,89,460.25 units) Aditya birla sun life money manager fund growth | 1,949.60 | 2,124.86 |
| 47,68,235.45 units (March 31, 2020: 65,58,355.77 units) Kotak savings fund regular growth | 1,608.35 | 2,104.81 |
| 34,835.13 units (March 31, 2020: 34,835.13 units) SBI magnum ultra short duration fund growth | 1,629.53 | 1,549.54 |
| 35,496.91 units (March 31, 2020: 45,526.67 units) Tata liquid fund - direct plan - growth | 1,152.81 | 1,425.89 |
| 6,895.40 units (March 31, 2020: Nil units) Tata Money Market Fund Direct Growth | 253.05 | - |
| Nil units (March 31, 2020: 5,609.66 units) UTI liquid cash plan - IP growth | - | 181.61 |
| Nil units (March 31, 2020: 2,14,178.17 units) ICICI prudential savings fund growth | - | 829.62 |
| Nil units (March 31, 2020: 67,913.25 units) L&T ultra short term fund growth | - | 22.19 |
| Nil units (March 31, 2020: 14,443.97 units) Invesco India liquid fund - direct plan - growth | - | 394.07 |
| Nil units (March 31, 2020: 63,614.43 units) Axis liquid fund - growth | - | 1,395.82 |
| Aggregate book value of unquoted current investments | 8,501.23 | 12,035.03 |
| Aggregate amount of book value unquoted investments | 8,501.23 | 12,035.03 |
| Aggregate provision for impairment allowance in value of investments | - | - |
| Aggregate amount of fair value unquoted investments | 8,501.23 | 12,035.03 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 9 Other assets | | |
| Other non-current assets | | |
| Capital advances | 34.81 | 25.69 |
| Prepaid expenses | 10.21 | 13.59 |
| Balances with Statutory / Government authorities | 206.78 | 109.80 |
| | 251.80 | 149.08 |
| Other current assets | | |
| Prepaid expenses | 287.14 | 260.16 |
| Balances with Statutory / Government authorities | 114.94 | 189.62 |
| Advance to vendors for supply of goods and services | 26.10 | 26.90 |
| | 428.18 | 476.68 |
| 10 Trade receivables | | |
| (unsecured and at amortised cost) | | |
| Trade receivables | | |
| - Considered good | 747.29 | 362.19 |
| - Significant increase in credit risk | - | - |
| - Credit impaired | 30.47 | 19.72 |
| | 777.76 | 381.91 |
| Impairment Allowance (allowance for bad and doubtful debts) | | |
| - Significant increase in credit risk | - | - |
| - Credit impaired | 30.47 | 19.72 |
| | 747.29 | 362.19 |

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Break up of financial assets carried at amortised cost | | |
| Security deposits (non-current) (note 4) | 596.99 | 858.75 |
| Bank balances other than cash and cash equivalents (non-current) (note 6) | 0.75 | 0.75 |
| Security deposits (current) (note 4) | 412.66 | 199.60 |
| Cash and cash equivalents (note 5) | 900.09 | 453.22 |
| Bank balances other than cash and cash equivalents (current) (note 6) | 19,089.51 | 11,014.78 |
| Trade receivables (note 10) | 747.29 | 362.19 |
| Other financial assets (note 7) | 570.55 | 461.91 |
| Total financial assets carried at amortised cost | 22,317.84 | 13,351.20 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 11 Deferred tax assets (net) | | |
| Nature - Asset / (Liability) | | |
| Deferred tax assets | | |
| Deferred tax assets | 379.28 | 388.50 |
| Deferred tax liabilities | (184.10) | (207.40) |
| Deferred tax asset (net) | 195.18 | 181.10 |
| Reconciliation of deferred tax asset (net) | | |
| Opening balance | 181.10 | 374.11 |
| Tax income / (expense) during the year in profit and loss | 14.08 | (211.94) |
| Tax income / (expense) during the year in OCI | - | 18.93 |
| Closing balance | 195.18 | 181.10 |

| Particulars | Balance sheet | | Profit and loss | | OCI | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Deferred tax liability | | | | | | |
| Impact of fair valuation on mutual funds at fair value through profit or loss | 184.10 | 182.23 | 1.87 | 158.80 | - | - |
| CSR donation made subsequent to the year-end which is eligible for deduction in the current year | - | 25.17 | (25.17) | 25.17 | - | - |
| Impact of unrealised gain on cash flow hedge | - | - | - | - | - | (18.95) |
| Gross deferred tax liability | 184.10 | 207.40 | (23.30) | 183.97 | - | (18.95) |
| Deferred tax asset | | | | | | |
| Impact of lease liability recognised upon retrospective implementation of Ind AS 116 "Lease" | 199.62 | 179.78 | 19.84 | (3.88) | - | - |
| Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis | 87.14 | 131.17 | (44.03) | (7.50) | - | - |
| Impairment allowance (doubtful debts and advances) | 7.85 | 5.95 | 1.90 | (21.62) | - | - |
| Capital expenditure disallowed | 5.06 | 5.06 | - | 5.06 | - | - |
| Provision for deposits | 10.01 | 3.94 | 6.07 | (4.06) | - | - |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

11 Deferred tax assets (net) Continued

| Particulars | Balance sheet | | Profit and loss | | OCI | |
|---|----------------|----------------|-----------------|-----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Impact of Difference between written down value of property, plant and equipment in books for financial reporting and tax books | 69.34 | 62.34 | 7.00 | 4.14 | - | - |
| Others | 0.26 | 0.26 | - | (0.11) | - | - |
| Gross deferred tax asset | 379.28 | 388.50 | (9.22) | (27.97) | - | - |
| Net deferred tax asset / (deferred tax liability) | 195.18 | 181.10 | 14.08 | (211.94) | - | 18.95 |

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

At 31st March 2021, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. The Group has an agreement with its subsidiaries that the profits of the subsidiaries will not be distributed until it obtains the consent of the Group.

12 Share Capital

Authorised shares

3,60,00,000 Equity shares of Rs.5/- each (March 31, 2020: 3,60,00,000 Equity shares of Rs.5/- each)

42,00,000 (March 31, 2020: 42,00,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each

Issued, subscribed and fully paid-up equity shares

2,28,71,556 Equity shares of Rs.5/- each (March 31, 2020: 2,27,66,173 Equity shares of Rs.5/- each)

| | As at March 31, 2021 | As at March 31, 2020 |
|-----------------|-------------------------|-------------------------|
| 1,800.00 | 1,800.00 | 1,800.00 |
| 210.00 | 210.00 | 210.00 |
| 1,143.58 | 1,143.58 | 1,138.31 |
| 1,143.58 | 1,143.58 | 1,138.31 |

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

Equity shares

| | March 31, 2021 | | March 31, 2020 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 22,766,173 | 1,138.31 | 22,729,356 | 1,136.47 |
| Issued during the year - ESOP (refer note 33) | 105,383 | 5.27 | 36,817 | 1.84 |
| Outstanding at the end of the year | 22,871,556 | 1,143.58 | 22,766,173 | 1,138.31 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

12 Share Capital (continued)

(b) Terms/rights attached to equity shares

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

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

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

Equity shares of Rs.5/- each fully paid

| Name of shareholder | March 31, 2021 | | March 31, 2020 | |
|---------------------------------------|----------------|------------------------|----------------|------------------------|
| | No. of shares | % holding in the class | No. of shares | % holding in the class |
| Murugavel Janakiraman* | 11,478,766 | 50.19% | 11,478,766 | 50.42% |
| Nalanda India Equity Fund Limited | 2,261,722 | 9.89% | 2,261,722 | 9.93% |
| Massachusetts Institute of Technology | 1,953,000 | 8.54% | - | - |
| SBI Small Cap Fund | 1,211,951 | 5.30% | - | - |
| CMDB II | - | - | 3,366,415 | 14.79% |
| Mayfield XII, Mauritius | - | - | 2,378,488 | 10.45% |

* In Extraordinary General Meeting held on August 5, 2015, the Shareholders approved the consolidation of shares as follows - every 5 (Five) existing equity shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) equity shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up and every 5 (Five) existing preference shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) preference shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up. Consequent to the consolidation of shares mentioned above, 12 equity shares representing fractions of less than one equity share of Rs. 5/- each have been transferred to Mr. Murugavel Janakiraman, Promoter and Managing Director, who will act as a trustee for and on behalf of such equity shareholders holding fractional shares.

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

| Particular | As at March 31 | | | | |
|--|----------------|------|------|--------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Securities premium utilised for Bonus Shares issued on conversion of CCPS (refer note (i)) | - | - | - | 138.90 | - |

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

(e) Shares reserved for issue under options

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

(f) During the year ended March 31, 2021, the Company has not issued shares for consideration other than cash.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| 13 Other equity | | |
| (a) Securities premium account | | |
| Opening balance | 12,594.90 | 12,539.84 |
| Add: premium on exercise of stock options | 226.85 | 55.06 |
| Closing balance | 12,821.75 | 12,594.90 |
| (b) Retained earnings | | |
| Opening balance | 8,875.22 | 6,393.37 |
| Profit for the year | 4,077.39 | 2,953.48 |
| Re-measurement gain (loss) on defined benefit plans (net of tax impact) (refer note 28) | (0.14) | (69.04) |
| Add: transferred from share-based payments reserve upon lapse of stock options | 22.89 | 8.52 |
| Less: Cash dividend (including dividend distribution tax) | (796.96) | (411.11) |
| Closing balance | 12,178.40 | 8,875.22 |
| Distribution made and proposed | | |
| Cash dividends on equity shares declared and paid: | | |
| Final dividend for the year ended on 31st March 2021: Rs. Nil per share (31st March 2020: Rs 3.5 per share) | 796.82 | 340.94 |
| Dividend distribution tax | - | 70.08 |
| | 796.82 | 411.02 |
| Proposed dividends on equity shares: | | |
| Final dividend for the year ended on 31st March 2021: Rs 3.5 per share (31st March 2020: Rs 3.5 per share, which includes special dividend of Rs 2.0 per share) | 800.50 | 796.82 |
| Dividend distribution tax | - | - |
| | 800.50 | 796.82 |
| Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as on March 31. | | |
| With effect from 1st April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient. | | |
| (c) Share-based payments reserve | | |
| Opening | 164.49 | 112.44 |
| Addition during the year | 71.80 | 77.70 |
| Less: transferred to security premium on exercise of stock options | (71.55) | (17.13) |
| Less: transferred to retained earnings upon lapse of stock options | (22.89) | (8.52) |
| Closing balance | 141.85 | 164.49 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 13 Other equity (continued) | | |
| (d) Foreign currency translation reserve | | |
| Opening | 51.20 | 33.77 |
| Addition during the year | (7.08) | 17.43 |
| Closing balance | 44.12 | 51.20 |
| (e) Cash flow hedge reserve | | |
| Opening balance | - | 35.27 |
| Addition during the year | - | (35.27) |
| Closing balance | - | - |
| Total other equity | 25,186.12 | 21,685.81 |
| 14 Borrowings (at amortised cost) | | |
| Current | | |
| Bank overdraft (secured)* | - | - |
| Total | - | - |
| Effective interest rate (%) | 6.03% | 7.65% |
| * The Group maintains overdraft facility with HDFC bank which is repayable on demand and the Company's overdraft balance as at March 2021 and March 2020 is Nil. The said facility is secured by way of lien on fixed deposit upto the extent of Rs 1,000.00 lakhs marked in favour of the bank. Subsequent to year end, the Company has closed the said overdraft facility in April 2021. | | |
| 15 Trade & other payables (at amortised cost) | | |
| (a) Trade payables | | |
| Current | | |
| Trade payables (refer note 30) | 3,475.74 | 2,667.50 |
| Dues to employees | 380.27 | 437.33 |
| Dues to related parties | 5.90 | 1.25 |
| | 3,861.91 | 3,106.08 |
| (b) Other payables | | |
| Current | | |
| Payables for capital purchases | 10.73 | 206.89 |
| | 10.73 | 206.89 |

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.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 16 Lease liabilities | | |
| Non-current | | |
| Lease liabilities | 4,787.49 | 4,632.95 |
| Current | | |
| Lease liabilities | 1,183.56 | 1,486.31 |
| | 5,971.05 | 6,119.26 |
| Break up of financial liabilities carried at amortised cost | | |
| Non-current lease liabilities (note 16) | 4,787.49 | 4,632.95 |
| Current maturity of lease liabilities (note 16) | 1,183.56 | 1,486.31 |
| Borrowings (note 14) | - | - |
| Trade payables (note 15(a)) | 3,861.91 | 3,106.08 |
| Other payables (note 15(b)) | 10.73 | 206.89 |
| Total financial assets carried at amortised cost | 9,843.69 | 9,432.23 |
| 17 Other liabilities | | |
| Non-current | | |
| Deferred revenue | 2.92 | 14.54 |
| Current | | |
| Deferred revenue | 7,643.28 | 6,954.37 |
| Advances from customers | 24.86 | 48.98 |
| Withholding and other taxes payable | 716.88 | 437.04 |
| | 8,385.02 | 7,440.39 |
| | 8,387.94 | 7,454.93 |
| 18 Provisions | | |
| Current | | |
| Provision for employee benefits | | |
| - Provision for gratuity (refer note 34) | 111.95 | 198.21 |
| - Provision for leave benefits | 266.25 | 273.53 |
| Other provisions | | |
| Provision for litigations (refer note below) | 299.01 | 283.37 |
| | 677.21 | 755.11 |
| Provision for litigations: | | |
| The movement of provision for litigation during the period is given below: | | |
| Opening balance | 283.37 | 180.49 |
| Additions | 15.64 | 112.68 |
| Utilisation / payment | - | (9.80) |
| Closing balance | 299.01 | 283.37 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

18 Provisions (continued)

(a) Employees' Provident Fund (EPF) : During the year ended March 31, 2015, the Company received a demand order from Regional Commissioner of Provident Fund, on account of non-inclusion of various allowances for the calculation of Provident Fund (PF) contribution for the period April 2012 to May 2014. The Honourable Supreme Court issued an order dated February 28, 2019, in a matter similar to the case involving the company as detailed above. Subsequently, during the previous year, the Company received demand order from Recovery Officer to pay Rs 162.91 lakhs to the respective employee PF accounts or by way of Demand Draft (DD) in favour of Regional Provident Fund Commissioner. The Company during the previous year obtained an interim stay on this demand by depositing 25% of the demand and had further remitted demand amount Rs 9.81 Lakhs on protest.

There are numerous interpretative issues relating to this Supreme Court judgement. The Company based on legal advice received and management's evaluation and best estimate, had made a provision for the demand including interest amounting to Rs 173.91 lakhs in respect of identifiable employees during the previous year. Although basis the legal opinion, Company is not bound to pay PF contribution in respect of non-identifiable employees, as a matter of prudence, the Company had also provided for the demand amounting to Rs 69.96 lakhs in respect of non-identifiable employees during the previous year. Overall, the Company had accounted a total provision including interest of Rs 243.87 lakhs as on March 31, 2020. During the current year, the Company has remitted the remaining demand amount along with the interest and penalty amounting to Rs 129.98 lakhs under protest. The Company has also provided for the incremental interest of Rs 2.71 lakhs for identifiable employees during the current year. As at March 31, 2021, the Company has accounted total provision including interest of Rs 256.39 lakhs.

The Company has created the above provision without prejudice to its legal rights under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has disclosed the interest on such demand relating to non-identifiable employees and the damages as contingent liability (refer note 35(c)). Based on evaluation of the Supreme Court order, the management has determined that the position followed by it for periods subsequent to the demand (as above), i.e from May 2014 is appropriate and will update its provision on receiving further clarity on the subject.

(b) Service tax : The Company received a demand order of Rs 350.14 lakhs along with interest and penalty from Commissioner of Service Tax for non-payment of service tax on certain services made during the period FY 2008-09 to 2012-13. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and has filed appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT) and has deposited Rs. 26.26 lakhs towards statutory pre-deposit for filing appeal. As a matter of prudence, the Company has provided Rs 13.69 lakhs for service tax demand and Rs 25.82 lakhs for interest during FY 2019-20 and an additional amount of 3.12 lakhs during FY 2020-21. Based on evaluation of the technical position as well as legal advice obtained from experts, the management believes that the ultimate outcome of this proceedings would be favourable. Accordingly, the Company has disclosed the balance demand amount of Rs 336.46 lakhs and interest and penalty aggregating to Rs 951.43 lakhs as contingent liability (also refer note 35(c)).

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| 19 Revenue from contracts with customers | | |
| Income from services | 43,859.14 | 43,048.71 |
| Less : taxes collected from customers | (6,071.24) | (5,865.18) |
| | 37,787.90 | 37,183.53 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

19 Revenue from contracts with customers (continued)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Disaggregated revenue information | | |
| Set out below is the disaggregation of the Group's revenue from contracts with customers: | | |
| Type of service: | | |
| Match making services | 37,572.25 | 36,044.35 |
| Marriage services | 215.65 | 1,139.18 |
| Total revenue from contracts with customers | 37,787.90 | 37,183.53 |
| Geographical revenue: | | |
| India | 31,587.31 | 31,943.09 |
| Outside India | 6,200.59 | 5,240.44 |
| Total revenue from contracts with customers | 37,787.90 | 37,183.53 |
| Timing of revenue recognition: | | |
| Service transferred at a point in time | 28.76 | 1,059.63 |
| Services transferred over time | 37,759.14 | 36,123.90 |
| Total revenue from contracts with customers | 37,787.90 | 37,183.53 |

Contract balances

| | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|-------------------------|-------------------------|
| Trade receivables | 747.29 | 212.26 |
| Contract assets | - | - |
| Contract liabilities | 7,671.06 | 7,017.89 |

Contract liabilities include long-term and short-term advances received to deliver subscriptions services.

Set out below is the amount of revenue recognised from:

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Amounts included in contract liabilities at the beginning of the year | 6,947.72 | 7,219.60 |

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

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

Performance obligation

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

Matchmaking services

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

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

19 Revenue from contracts with customers (continued)

Marriage services

Marriage services consist of WeddingBazaar services, MatrimonyMandap services and Photography services.

-Wedding Bazaar services

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

-Matrimony Mandap Services

The primary performance obligation under Matrimony Mandap services contract is satisfied over the period of subscription and the payment is collected upfront. In case of commission contracts, the performance obligation is to secure booking of mandap and the Group collects commission upon each successful booking. There are no significant financing component in these contracts.

-Photography services

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

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| 20 Finance income | | |
| Interest income from: | | |
| - Bank deposits | 895.08 | 575.26 |
| - Finance income recognised on interest-free security deposits | 61.54 | 66.44 |
| - Interest on loan | 2.70 | 9.84 |
| Fair value gain on mutual fund investments at fair value through profit or loss | 481.30 | 981.41 |
| | 1,440.62 | 1,632.95 |

| | | |
|---|---------------|---------------|
| 21 Other income | | |
| Liabilities no longer required written back | 3.37 | 0.38 |
| Government contribution to employee provident fund* | 31.55 | 85.03 |
| Gain on preclosure of lease agreement | 138.05 | - |
| Reversal of impairment on assets held for sale | 56.29 | - |
| Miscellaneous income | 75.58 | 67.57 |
| | 304.84 | 152.98 |

*Government grants

| | | |
|--|---------|---------|
| At April 1 | - | - |
| Received during the year | 31.55 | 85.03 |
| Released to the statement of profit and loss | (31.55) | (85.03) |
| At March 31 | - | - |

Government grant have been received under Pradhan Mantri Rojgar Protsahan Yojana ('PMRPY') scheme for incentivising employers for generation of new employments.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------|---|------------------------------|------------------------------|
| 22 | Employee benefit expense | | |
| | Salaries, wages and bonus | 11,596.73 | 13,830.92 |
| | Contribution to provident and other fund | 719.71 | 902.66 |
| | Gratuity expense (refer note 34) | 107.87 | 95.68 |
| | Share based payment expenses | 71.80 | 77.70 |
| | Staff welfare expenses | 164.52 | 366.83 |
| | Recruitment and training | 65.24 | 72.59 |
| | | 12,725.87 | 15,346.38 |
| | Note on Social Security Code: | | |
| | The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. | | |
| 23 | Depreciation and amortisation expense | | |
| | Depreciation of tangible assets | 2,372.32 | 2,573.44 |
| | Amortisation of intangible assets | 220.76 | 222.92 |
| | | 2,593.08 | 2,796.36 |
| 24 | Finance cost | | |
| | Bank charges | 11.68 | 12.32 |
| | Interest | 470.84 | 512.63 |
| | | 482.52 | 524.95 |
| 25 | Advertisement and business promotion expenses | | |
| | Advertisement | 13,690.15 | 9,790.63 |
| | Business promotion expenses | 38.17 | 552.78 |
| | | 13,728.32 | 10,343.41 |
| 26 | Other expenses | | |
| | Web hosting charges | 689.67 | 610.85 |
| | Electricity | 383.08 | 563.16 |
| | Rates and taxes | 12.98 | 132.35 |
| | Insurance | 92.59 | 80.30 |
| | Repairs and maintenance - others | 439.61 | 598.90 |
| | Travelling and conveyance | 69.09 | 379.93 |
| | Communication costs | 791.74 | 726.84 |
| | Printing and stationery | 9.96 | 35.17 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

26 Other expenses (continued)

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Legal and professional fees # | 645.66 | 853.56 |
| Directors' sitting fees | 74.50 | 64.50 |
| Directors commission | 25.29 | 25.00 |
| Exchange differences (net) | 57.35 | - |
| Impairment allowance on financial assets | 34.87 | 273.35 |
| Less: Bad debts written off | - | (167.93) |
| Impairment allowance on financial assets (net) | 34.87 | 105.42 |
| Loss on sale/ write off of property, plant and equipment (net) | - | - |
| Collection charges | 840.65 | 846.96 |
| Outsourced photography service charges | 16.12 | 380.81 |
| Impairment loss on asset held for sale | - | 65.44 |
| Web SMS Services | 213.11 | 459.33 |
| CSR expenses ## | 148.68 | 80.88 |
| Miscellaneous expenses | 35.50 | 35.03 |
| | 4,580.45 | 6,044.43 |

Payment to auditor (Included under legal and professional fees)

As auditor:

| | | |
|----------------|-------|-------|
| Audit fee | 31.00 | 26.00 |
| Limited review | 12.00 | 9.00 |
| Tax audit fee | 1.00 | 1.00 |

In other capacity:

| | | |
|---------------------------------------|--------------|--------------|
| Others (including certification fees) | 1.00 | 5.50 |
| | 45.00 | 41.50 |

Details of CSR expenditure

Gross amount required to be spend by the Group during the year

Amount spent during the year ended on 31st March 2021:

| | | |
|--|--------|--------|
| i) Construction/acquisition of any asset | 97.93 | 131.49 |
| ii) On purposes other than (i) above | - | - |
| | 148.68 | - |

Amount spent during the year ended on 31st March, 2020:

| | | |
|--|-------|-------|
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 80.88 | 50.61 |

The Group has spent Rs 80.88 lakhs in the previous year and unspent amount of Rs 50.61 lakhs of previous year has been spent in the current year.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| 27 Income tax expense | | |
| The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are: | | |
| Profit or loss section | | |
| Current tax: | | |
| Current income tax charge | 1,302.62 | 785.99 |
| Adjustments in respect of current income tax of previous year | - | (43.76) |
| Deferred tax: | | |
| Relating to the origination and reversal of temporary differences | (14.08) | 211.94 |
| Income tax expense reported in the statement of profit and loss | 1,288.54 | 954.17 |
| Other comprehensive income (OCI) section | | |
| Net loss on re-measurement of defined benefit obligation | (0.24) | (42.13) |
| Income tax charged to OCI | (0.24) | (42.13) |
| Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020: | | |
| 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 (25.17% for year ended March 31, 2021 and March 31, 2020) as follows: | | |
| Accounting profit before income tax | 5,365.93 | 3,907.65 |
| Profit before income tax multiplied by standard rate of corporate tax in India of 25.17% (31st March 2020: 25.17%) | 1,350.50 | 983.48 |
| Adjustments | | |
| Non-deductible expenses | 4.69 | 9.13 |
| Losses utilised on which deferred taxes were not recognised in earlier years (Note 11) | - | (1.83) |
| Difference in tax rates across jurisdictions | (74.75) | (63.57) |
| Impact of change in income tax rate* | - | 83.40 |
| Deduction u/s 80JJAA of the Income Tax Act, 1961 | (7.10) | (43.29) |
| Tax on Inter company dividend eliminated | 0.81 | 29.03 |
| Deferred tax on share of loss of associate not recognised | 14.39 | 1.58 |
| At the effective income tax rate of 24.01% (31st March 2020: 25.54%) | 1,288.54 | 997.93 |
| Total current tax expense reported in the statement of profit and loss | 1,288.54 | 997.93 |
| Total tax expense / (income) reported in the other comprehensive income | - | - |
| Total tax expense | 1,288.54 | 997.93 |
| Reconciliation of total tax expenses | | |
| Income tax expense reported in the statement of profit and loss | 1,288.54 | 954.17 |
| Add/(Less): Tax adjustments relating to previous year | - | 43.76 |
| Total tax expense | 1,288.54 | 997.93 |

* During the previous year, the Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognized provision for Income Tax and re-measured its Deferred Tax Assets basis the rate prescribed in the said section during the previous year and the full impact of this change has been recognized in the Statement of Profit and Loss for the year ended March 31, 2020.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| 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 loss on defined benefit plans (net of tax impact) | (0.14) | (69.04) |
| Foreign exchange translation difference | (7.09) | 17.42 |
| Unrealised gain on derivative contracts (net of tax impact) | - | (35.27) |
| | (7.23) | (86.89) |

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, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Profit attributable to the equity holders of the parent | 4,077.39 | 2,953.48 |
| Weighted average number of equity shares | | |
| - Basic | 22,781,849 | 22,734,489 |
| Effect of dilution: | | |
| (i) Share options | 27,047 | 79,044 |
| - Diluted | 22,808,896 | 22,813,533 |
| Earning per share of Rs.5.00/- each | | |
| - Basic | 17.90 | 12.99 |
| - Diluted | 17.88 | 12.95 |

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

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 Dues including interest to Micro and Small & Medium Enterprises as on March 31, 2021 are Rs 5.39 lakhs (March 31, 2020: Rs 3.95 lakhs)*.

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Principal amount due to suppliers under MSMED Act | 6.59 | 6.53 |
| Interest accrued and due to suppliers under MSMED Act, on the above amount | 0.46 | 0.34 |
| Payment made to suppliers (Other than interest) beyond the appointed day, during the year | 2.99 | 8.03 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

| | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| 30 Details of dues to micro and small enterprises as defined under the Micro, Small & Medium Enterprises Development Act, 2006 (continued) | | |
| Interest paid to suppliers under MSMED Act (Section 16) | - | - |
| Interest due to suppliers under MSMED Act, for payments already made | 4.93 | 3.61 |
| Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act | 5.39 | 3.95 |

* During the earlier years, the Company received notice from Micro and Small Enterprises Facilitation Council based on application filed by one of the suppliers claiming Rs 10.11 Lakhs as additional payment for service rendered as per the work contract. The Company was not informed of the status of MSME by the supplier despite request from the Company and hence, could not determine the status as to whether the supplier is a micro or small or medium enterprise under the Act. However, there are no dues to the supplier other than those disclosed above and the company has disputed the liability and supplier's status as Micro, Small and Medium Enterprises. The Company is confident that no further liability will accrue to the Company on account of this. As a matter of prudence, the Company, during the earlier years, has provided interest under MSMED Act of Rs 3.95 lakhs and has incrementally provided provision of Rs 1.44 lakhs during the current year.

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 on-going 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) 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.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

31 Significant accounting judgements, estimates and assumptions (continued)

(ii) 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.

(iii) Lease

The Company has entered into leases for office premises and retail outlets. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(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 these 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.

(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.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

31 Significant accounting judgements, estimates and assumptions (continued)

(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 internal technical experts and review of history of asset usage. 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.

(v) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

32 Group Information

Information about subsidiaries and associate

The Financial Statements of the Group includes wholly owned subsidiaries and associate listed in the table below:

| Name | Principal activities | Country of incorporation | As at | |
|--|----------------------|--------------------------|----------------|----------------|
| | | | March 31, 2021 | March 31, 2020 |
| Consim Info USA Inc., USA | Matchmaking services | USA | 100.00% | 100.00% |
| Sys India Private Limited, India | Advertising services | India | 100.00% | 100.00% |
| Matrimony DMCC, Dubai, UAE | Matchmaking services | UAE | 100.00% | 100.00% |
| Astro Vision Futuretech Private Limited* | Astrology services | India | 26.09% | 26.09% |

*During the year 2019-20, the Company has acquired 3,341 equity shares of Astro Vision Futuretech Private Limited ("the Investee") for Rs 595.07 lakhs, which constitutes 26.09% of total equity shares of the Investee, by way of share subscription and share purchase from the existing shareholders. The Company has duly executed share transfer and obtained share certificate, dated February 11, 2020, from the Investee. Rs 19.36 lakhs of transaction cost incurred which are directly attributable to this acquisition has been capitalised with cost of investment. As per Ind AS 28 "Investment in Associates and Joint Ventures", the Investee is considered as "Associate" and is accounted based on equity method of accounting in consolidated financial statement.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

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 (net of reversal) for share options during the year is Rs. 71.80 lakhs (March 31, 2020: 77.70 lakhs). There are no cancellations or modifications to the awards in March 31, 2021 or March 31, 2020.

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-2015 to 01-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 | 01-Apr-2016 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 | 01-Oct-2016 to 01-Oct-2019 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from October 1, 2015. |
| Grant 10 | February 9, 2016 | 9,600 | 01-Apr-2017 to 01-Apr-2020 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017. |
| Grant 11 | June 30, 2016 | 2,000 | 01-Jul-2017 to 01-Jul-2020 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017. |
| Grant 12 | March 21, 2018 | 10,200 | 01-Apr-2019 to 01-Apr-2021 | Eligible on a graded manner over three years period with 30% of the grants vesting at the end of 12 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24 months from the date of grant and 36 months from the date of grant respectively. |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

33 Employee stock option plans (continued)

The grant wise information is as below: (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-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-2019 | 100% of the grants will vest on April 1, 2019. |
| Grant 16 | March 21, 2018 | 1,500 | 01-Apr-2019 | 100% of the grants will vest on April 1, 2019. |
| Grant 17 | October 31, 2018 | 5,000 | 01-Nov-2019 to 01-Nov-2020 | Eligible on a graded manner over 2 years period with 50% of the grants vesting at the end of 12 months starting from November 1, 2019. The remaining 50% of the grants vest at the end of 24 months from the date of grant. |
| Grant 18 | October 31, 2018 | 10,000 | 01-Nov-2019 to 01-Nov-2022 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 1, 2019. |
| Grant 19 | February 12, 2019 | 12,000 | 01-Mar-2020 to 01-Mar-2022 | Eligible on a graded manner over three years period with 33.33% of the grants vesting at the end of every 12 months starting from March 1, 2020. |
| Grant 20 | May 9, 2019 | 45,200 | 09-May-2020 to 09-May-2023 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from May 9, 2020. |
| Grant 21 | February 5, 2020 | 19,300 | 05-Feb-2021 to 05-Feb-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from February 5, 2021. |
| Grant 22 | March 24, 2020 | 16,100 | 24-Mar-2021 to 24-Mar-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from March 24, 2021. |
| Grant 23 | May 20, 2020 | 45,200 | 20-May-2021 to 20-May-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from May 20, 2021. |
| Grant 24 | November 5, 2020 | 20,000 | 05-Nov-2021 to 05-Nov-2024 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 05, 2021. |
| Grant 25 | February 4, 2021 | 15,300 | 04-Feb-2022 to 04-Feb-2025 | Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from February 04, 2022. |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

33 Employee stock option plans (continued)

Activity in the options outstanding under 'ESOS 2014':

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Outstanding at the beginning of the year | 208,561 | 187,978 |
| Options lapsed during the year | (37,100) | (23,200) |
| Option granted during the year | 80,500 | 80,600 |
| Options exercised during the year | (105,383) | (36,817) |
| Outstanding at the end of the year | 146,578 | 208,561 |
| Exercisable at the end of the year | 26,438 | 109,831 |

The weighted average share price at the date of exercise of the options was Rs. 777.27/- (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. 844.45 (March 31, 2020: Rs. 103 to Rs. 807.50).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 is in the range of 0.50 to 4.92 years (March 31, 2020: 1.04 to 4.59 years).

The following tables list the inputs to the models used for ESOS 2014 for the years ended March 31, 2021 and March 31, 2020, respectively:

| | | |
|--|------------------|------------------|
| Exercise price per share for the options granted during the year (Rs.) | 336.40 to 844.45 | 299.45 to 600.45 |
| Weighted average fair value per share (Rs.) | 844.45 | 600.45 |
| Weighted average fair value of options granted | 512.33 | 502.77 |
| Expected volatility | 47.68% to 57.91% | 43.80% to 48.07% |
| Life of the options granted (Vesting and exercise period in years) | 3.5 to 6.5 Years | 3.5 to 6.5 Years |
| Average risk free interest rate | 4.85% to 6.30% | 6.08% to 7.60% |
| Expected dividend yield | 0.18% to 0.45% | 0.25% to 0.50% |

34 Employee benefits

Defined contribution plans - General description

Provident fund & other funds:

During the year, the Group has recognised Rs. 719.71 lakhs (March 31, 2020 - Rs. 902.66 lakhs) as contribution to provident fund and other funds in the Statement of Profit and Loss (included in Contribution to Provident and Other Funds in Note - 22).

Other long-term employee benefits - General description

Leave encashment:

Each employee is eligible to get one day earned leave for each completed month of service but entitlement arises only on completion of first year of service. Encashment of entitled leave is allowed only on separation subject to maximum accumulation of up to 24 days.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

34 Employee benefits (continued)

Defined benefit plans - General description

Gratuity:

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 20 lakhs. The plan assets are in the form of corporate bond in the name of "Matrimony.com Limited Group Gratuity Trust" with Reliance Nippon Life Insurance Company Limited.

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Recognized in profit or loss: | | |
| Current service cost | 100.96 | 86.17 |
| Net interest cost on net benefit obligation / assets | 4.70 | 6.14 |
| | 105.66 | 92.31 |
| Recognized in other comprehensive income: | | |
| Re-measurement losses arising from changes in financial and demographic assumptions | 0.94 | 92.09 |
| | 0.94 | 92.09 |
| Net benefit expense | 106.60 | 184.40 |

Plan liability / (asset) are as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Defined benefit obligation | 778.20 | 769.47 |
| Fair value of plan assets | (668.97) | (576.83) |
| Plan liability / (asset) - (net) | 109.23 | 192.64 |

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

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| Opening defined benefit obligation at the beginning of the year | 769.47 | 651.24 |
| Current service cost | 100.96 | 86.17 |
| Interest cost | 34.27 | 39.87 |
| Re-measurement (gain)/ losses on obligation | (9.67) | 84.69 |
| Benefits paid | (116.83) | (92.50) |
| Closing defined benefit obligation | 778.20 | 769.47 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

34 Employee benefits (continued)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Changes in the fair value of plan assets are as follows: | | |
| Fair value of plan assets at the beginning of the year | 576.83 | 473.00 |
| Expected return on plan assets | 29.57 | 33.73 |
| Contributions | 190.00 | 170.00 |
| Benefits paid | (116.83) | (92.50) |
| Re-measurement losses on plan assets | (10.60) | (7.40) |
| Fair value of plan assets at the end of the year | 668.97 | 576.83 |

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

| | | |
|-----------------------------------|--|--|
| Discount rate | 3.87% | 4.82% |
| Expected rate of return on assets | 3.87% | 4.82% |
| Salary escalation | Band 1 to 5: 5%/6%/6%/6%/6% | Band 1 to 5: 5%/6%/6%/6%/6% |
| Employee turnover | Band 1 to 5: 99%/39%/39%/27%/32% | Band 1 to 5: 99%/39%/39%/27%/32% |

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. 109 lakhs to the gratuity fund in the next year. However, the actual contribution by the Group will be based in the actuarial valuation report received from the insurance company.

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity plan

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Investments details: | | |
| Funds with Reliance Nippon Life Insurance Company Limited | 668.97 | 576.83 |
| Total | 668.97 | 576.83 |

These funds have been invested into corporate bonds and money market funds, consequently the Group is not exposed to any equity market risks.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

34 Employee benefits (continued)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity plan:

| Assumptions | March 31, 2021 | | | | | |
|---|----------------|---------------|-------------------------|---------------|----------------|---------------|
| | Discount rate | | Future salary increases | | Attrition rate | |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation | (8.26) | 8.50 | 9.19 | (9.07) | (1.26) | 1.29 |

| Assumptions | March 31, 2020 | | | | | |
|---|----------------|---------------|-------------------------|---------------|----------------|---------------|
| | Discount rate | | Future salary increases | | Attrition rate | |
| Sensitivity Level | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation | (7.95) | 8.18 | 9.01 | (8.88) | (0.98) | 1.00 |

The sensitivity analysis above has 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, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Within the next 12 months (next annual reporting period) | 347.91 | 343.22 |
| Between 1 and 5 years | 381.96 | 394.92 |
| Between 5 and 10 years | 101.41 | 101.42 |
| Total expected payments | 831.28 | 839.56 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.7 years (March 31, 2020: 2.7 years)

35 Commitment and contingencies

(a) Capital commitments (net of advances and deposit)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Capital commitments (net of advances and deposit) | 111.63 | 86.47 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

35 Commitment and contingencies (continued)

(b) Leases

Lease commitments – Company as lessee

The Group has entered into leases for office premises and retail outlets. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The lease terms varies from 10 months to 9 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| Particulars | 2021 | 2020 |
|-----------------------|-----------------|-----------------|
| As at April 1 | 5,689.99 | 4,789.12 |
| Additions | 1,046.29 | 2,516.16 |
| Depreciation expense | 1,389.44 | 1,615.29 |
| As at March 31 | 5,346.84 | 5,689.99 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | | |
|-----------------------|-----------------|-----------------|
| As at April 1 | 6,119.26 | 5,194.53 |
| Additions | 1,016.73 | 2,397.30 |
| Accretion of Interest | 465.32 | 509.07 |
| Payments | 1,630.26 | 1,981.64 |
| As at March 31 | 5,971.05 | 6,119.26 |
| Current | 1,183.56 | 1,486.31 |
| Non-current | 4,787.49 | 4,632.95 |

For the maturity analysis of lease liabilities, refer note 40.

The effective interest rate for lease liabilities is 7.7%, with maturity between 2021-2029.

The following are the amounts recognised in profit or loss:

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|---------------------------------|
| Depreciation expense of right-of-use assets | 1,389.44 | 1,615.29 |
| Interest expense on lease liabilities | 465.32 | 509.07 |
| Loss/gain on closure of leased locations | (138.05) | - |
| Total amount recognised in profit or loss | 1,716.71 | 2,124.36 |

The Group had total cash outflows for leases of Rs 1,630.26 in March 31, 2021 (Rs 1,981.64 in March 31, 2020). The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs 1,016.73 in March 31, 2021 (Rs 2,397.30 lakhs in March 31, 2020).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 31).

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

35 Commitment and contingencies (continued)

(b) Leases (continued)

As at March 31, 2021, the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not expected to be exercised and not included in the lease term is Rs. Nil (As at March 31, 2020, Rs. 721.81 lakhs).

The Ministry of Corporate Affairs notified amendment to Ind AS 116, "Leases", that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. The Company has met the conditions and elected to account for rent concessions related to COVID-19 the same way as if they were not lease modifications. Accordingly, the Company has recognized Rs. 240.14 lakhs as reversal of lease liability with a corresponding adjustment to the right-of-use asset during the current year and the impact on profit or loss is been recongised over the period of time.

(c) Other contingent liabilities

Summary:

i) Matters wherein management has concluded the company's liability to be probable have accordingly been provided for in the books. Also, Refer Note 18.

ii) Matters wherein management has concluded the company's liability to be possible have accordingly been disclosed under this note.

iii) Matters wherein management is confident of succeeding in these litigations and have concluded the company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Additional liability due to Payment of Bonus Act Retrospective Amendment | Refer note (i) below | Refer note (i) below |
| Income tax | Refer note (ii) below | Refer note (ii) below |
| Consumer litigations | Refer note (iii) below | Refer note (iii) below |
| Interest pertaining to Provident Fund demand | Refer note (iv) below | Refer note (iv) below |
| Service tax | Refer note (v) below | Refer note (v) below |

Note:

(i) During the year 2016-17, the Company has obtained stay against the retrospective implementation of Payment of Bonus (Amendment) Act, 2015 with the Madras High Court for the year 2014-15, contending that such retrospective application is unconstitutional, ultra-vires and void. The impact of such change for the financial year 2014-15 is Rs. 55.00 lakhs. Based on the legal advice, management believes that it has a fair chance of defending its position. Accordingly, no provision has been maintained with respect to the financial year 2014-15. The Company has implemented Payment of Bonus (Amendment) Act, 2015 w.e.f April 1, 2015.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

35 Commitment and contingencies (continued)

(c) Other contingent liabilities

(ii) (a) The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2008-09 and 2009-10 with additions in relation to the disallowance of reimbursement of webhosting charges and marketing expenses incurred by wholly owned subsidiaries of the Company on Company's behalf aggregating to Rs. 1,032.96 lakhs, due to non-deduction of withholding taxes on the same. The Company received favourable orders from Income Tax Appellate Tribunal (ITAT) for Assessment year 2008-09 and Assessment year 2009-10, against which Revenue has filed appeals with High Court. Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceeding would be favourable.

(b) The Company received assessment orders from the Assessing Officer of Income tax for assessment years 2014-15 and 2015-16 with additions in relation to the disallowance of online marketing expenses paid to vendors outside India aggregating to Rs. 520.06 lakhs, due to non-deduction of withholding taxes on the same. The Company has filed appeal with Income Tax Appellate Tribunal (ITAT) on dismissal of its appeal with CIT (A). Management believes that the ultimate outcome of this proceedings would be favourable.

(iii) Liabilities arising out of legal cases filed against the company in various courts/ consumer redressal forums, consumer courts, disputed by the Company aggregates to Rs. 122.33 lakhs.

(iv) As more fully explained in Note 18, the total Interest obligation and damages on Provident Fund demand raised by Employee Provident Fund Organisation are estimated to be Rs. 139.07 lakhs and Rs. 162.91 lakhs respectively. The company, on a prudent basis, has made total provision aggregating to Rs. 256.39 lakhs towards PF dues for past periods relating to identifiable employees (including interest of Rs. 75.90 lakhs) and base liability due for employees whose details are not identifiable as at March 31, 2021. However, based on legal advice obtained and management assessment in this regard, no provision is deemed necessary towards interest on PF demanded for employees whose details are not identifiable as well as penalty. Accordingly, interest obligation and damages of Rs 63.16 lakhs and Rs 162.91 Lakhs respectively are disclosed as a contingent liability.

(v) The Company received a demand order of Rs 350.14 lakhs along with interest and penalty from Commissioner of Service Tax for non-payment of service tax on certain services made during the period FY 2008-09 to 2012-13. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and has filed appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT) and has deposited Rs. 26.26 lakhs towards statutory pre-deposit for filing appeal. As a matter of prudence, the Company has provided Rs 13.69 lakhs for service tax demand and Rs 25.82 lakhs for interest during FY 2019-20 and an additional amount of 3.12 lakhs during FY 2020-21. Based on evaluation of the technical position as well as legal advice obtained from experts, the management believes that the ultimate outcome of this proceedings would be favourable. Accordingly, the Company has disclosed the balance demand amount of Rs 336.46 lakhs and interest and penalty aggregating to Rs 951.43 lakhs as contingent liability (also refer note 18).

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 (till December 11, 2018) Infonauts Inc., USA (till July 28, 2020) Consim Direct Mauritius Limited |
| Key management personnel (KMP) | Mr. Murugavel Janakiraman, Managing Director Mr. Sushanth S Pai, Chief Financial Officer Mr. S Vijayanand , Company Secretary |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

36 Related party disclosures (continued)

a. Names of related parties

| Relationship | Names of related parties |
|-----------------------|--|
| Relatives of KMP | Mr. Ravi Janakiraman (till August 31, 2020) Mrs. Deepa Murugavel |
| Independent directors | Mr. Milind Shripad Sarwate Mr. George Zacharias Mr. Chinni Krishnan Ranganathan Mrs. Akila Krishnakumar Mr. S M Sundaram (from March 11, 2021) |

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, 2021 and March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 10 and Note 15 (a) for Trade Receivables and Trade Payables respectively).

Notes to the consolidated financial statements for the year ended March 31, 2021

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

36 Related party disclosures (continued)

b. Transactions with related parties:

Particulars

| | Year ended / As at | | | | |
|---|---|-----------------------|-----------------------------------|--|-------------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2020 |
| | Enterprises owned or significantly influenced by KMP/ Enterprises in which Directors are interested | Independent Directors | Key Management Personnel (KMP) | Relatives of Key Management Personnel | |
| Compensation of KMPs & relative of KMPs | | | | | |
| Short term employee benefits* | - | - | 361.59 | 11.65 | 11.32 |
| Share based payment expenses | - | - | 9.84 | - | - |
| Dividend paid to KMPs & relative of KMPs | | | | | |
| Dividend paid | - | - | 401.79 | 0.14 | 0.06 |
| Remuneration and Dividend to Independent Directors | | | | | |
| Sitting fees | - | 74.50 | 64.50 | - | - |
| Commission# | - | 25.29 | 25.00 | - | - |
| Dividend paid | - | 1.75 | 0.75 | - | - |
| Other financial assets | | | | | |
| Receivable from India Property Online Private Limited | - | - | - | - | - |
| | 3.21 | - | - | - | - |

* The remuneration to the key managerial personnel and relative of 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.

Commission to directors has been disclosed on accrual basis.

Notes to the consolidated financial statements for the year ended March 31, 2021

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

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, 2021 | 98.84% | 26,097.78 | 94.45% | 4,096.12 | 9.69% | (0.70) | 94.59% | 4,095.42 |
| Balance as at 31 March, 2020 | 98.79% | 22,566.94 | 91.35% | 2,698.10 | 119.90% | (104.18) | 90.49% | 2,593.92 |
| Subsidiaries | | | | | | | | |
| Indian Subsidiaries | | | | | | | | |
| 1 Sys India Private Limited | | | | | | | | |
| Balance as at 31 March, 2021 | 0.04% | 9.63 | (0.04%) | (1.83) | - | - | (0.04%) | (1.83) |
| Balance as at 31 March, 2020 | 0.05% | 11.46 | 0.06% | 1.75 | - | - | 0.06% | 1.75 |
| Foreign Subsidiaries | | | | | | | | |
| 1 Consim Info USA Inc., USA | | | | | | | | |
| Balance as at 31 March, 2021 | 0.78% | 204.83 | 0.00% | 0.03 | 84.55% | (6.11) | (0.14%) | (6.08) |
| Balance as at 31 March, 2020 | 0.92% | 210.91 | 0.17% | 5.08 | (19.73%) | 17.14 | 0.78% | 22.22 |
| 2 Matrimony DMCC, Dubai, UAE | | | | | | | | |
| Balance as at 31 March, 2021 | 0.35% | 92.16 | 6.91% | 299.77 | 13.50% | (0.98) | 6.90% | 298.79 |
| Balance as at 31 March, 2020 | 0.23% | 52.89 | 8.63% | 254.84 | (0.32%) | 0.28 | 8.90% | 255.12 |
| Associate | | | | | | | | |
| 1 Astro Vision Futuretech Private Limited | | | | | | | | |
| Balance as at 31 March, 2021 | NA | NA | (1.32%) | (57.19) | (7.74%) | 0.56 | (1.31%) | (56.63) |
| Balance as at 31 March, 2020 | NA | NA | (0.21%) | (6.28) | 0.14% | (0.13) | (0.22%) | (6.41) |

Notes to the consolidated financial statements

for the year ended March 31, 2021

(All amounts are in INR 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 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 Group offers marriage services consisting of WeddingBazaar services, MatrimonyMandap services and Photography services.

The Management Committee headed by Managing Director consisting of Chief Financial Officer and Heads of Departments have identified the above three reportable business segments. The committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|
| A. Segment revenue | | |
| External sales | | |
| - Matchmaking services | 37,572.25 | 36,044.35 |
| - Marriage services and related sale of products | 215.65 | 1,139.18 |
| Total revenue | 37,787.90 | 37,183.53 |
| Segment expenses | | |
| Employee benefits expense | | |
| - Matchmaking services | 10,936.09 | 12,759.58 |
| - Marriage services and related sale of products | 1,103.42 | 1,973.55 |
| Advertisement and business promotion expense | | |
| - Matchmaking services | 13,704.13 | 10,230.00 |
| - Marriage services and related sale of products | 24.20 | 113.42 |
| Other expenses | | |
| - Matchmaking services | 3,912.80 | 4,614.85 |
| - Marriage services and related sale of products | 51.65 | 750.79 |
| Depreciation and amortisation expense | | |
| - Matchmaking services | 2,515.21 | 2,659.24 |
| - Marriage services and related sale of products | 14.43 | 83.45 |
| Finance charges | | |
| - Matchmaking services | 462.66 | 493.27 |
| - Marriage services and related sale of products | 2.66 | 15.80 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

38 Segment reporting (continued)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Share of profit /(loss) from associate | | |
| - Matchmaking services | - | (6.28) |
| - Marriage services and related sale of products | - | - |
| B. Segment results | | |
| - Matchmaking services | 6,041.36 | 5,281.13 |
| - Marriage services and related sale of products | (980.71) | (1,797.83) |
| Total | 5,060.65 | 3,483.30 |
| Reconciliation of profit | | |
| Segment profit | 5,060.65 | 3,483.30 |
| Unallocable expenses | 1,317.57 | 1,346.16 |
| Other finance costs | 17.20 | 21.23 |
| Unallocable income | (1,640.05) | (1,791.74) |
| Exceptional items | - | - |
| Profit before tax | 5,365.93 | 3,907.65 |
| C. Capital expenditure | | |
| - Matchmaking services | 598.92 | 1,076.76 |
| - Marriage services and related sale of products | 89.01 | 45.66 |
| - Unallocable | 282.98 | 182.87 |
| Total capital expenditure | 970.91 | 1,305.29 |
| D. Depreciation / amortisation | | |
| - Matchmaking services | 2,515.21 | 2,659.24 |
| - Marriage services and related sale of products | 14.43 | 83.45 |
| - Unallocable | 63.44 | 53.67 |
| Total depreciation / amortisation | 2,593.08 | 2,796.36 |
| E. Non-cash items other than depreciation / amortisation | | |
| - Matchmaking services | 363.76 | 17.18 |
| - Marriage services and related sale of products | (53.26) | 105.42 |
| - Unallocable | (387.28) | 184.00 |
| Total non-cash items other than depreciation / amortisation | (76.78) | 306.60 |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

38 Segment reporting (continued)

Revenue from external customers

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------|------------------------------|------------------------------|
| Segment revenue | | |
| - India | 31,587.31 | 31,943.09 |
| - Outside India | 6,200.59 | 5,240.44 |
| Total revenue | 37,787.90 | 37,183.53 |

Non current operating assets

| | | |
|-----------------|-----------------|-----------------|
| - India | 7,311.38 | 7,611.83 |
| - Outside India | 10.34 | 12.82 |
| Total | 7,321.72 | 7,624.65 |

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

Other disclosures

| | | |
|---------------------|--------|----------|
| Capital expenditure | 970.91 | 1,305.29 |
|---------------------|--------|----------|

Note:

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

2) The Group delivers matchmaking services to its users in India and the Indian diaspora through its websites, mobile sites and mobile apps complemented by its on-the-ground network in India. Therefore revenue from none of the customers exceeds 10% of Group's total revenue.

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, 2021:

| Particulars | Date of valuation | Total book value | Fair value measurement using | | |
|-------------------------------------|-------------------|------------------|--|---|---|
| | | | Quoted price in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Asset measured at fair value | | | | | |
| FVTPL financial investments: | | | | | |
| Unquoted mutual funds | March 31, 2021 | 8,501.23 | 8,501.23 | - | - |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

39 Fair Values (continued)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

| Fair value measurement using | | | | | |
|------------------------------|-------------------|------------------|--|---|---|
| Particulars | 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, 2020 | 12,035.03 | 12,035.03 | - | - |

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 its Risk Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk Committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, trade payables, FVTPL investments and receivables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

Other than overdraft facilities maintained with HDFC Bank which are secured against our bank deposit, the Group do not have any credit facilities from any banks or financial institutions. As a result, changes in interest rates are not likely to substantially affect its business or results of operations.

Interest rate sensitivity

The group's overdraft balance has resulted in cash surplus amounting to Rs. 112.86 lakhs as at March 31, 2021. Consequent to this, group does not have any risk of changes in market interest rates.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

40 Financial risk management objectives and policies (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an expenses will fluctuate because of change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses is denominated in a foreign currency).

The majority of the group's revenue and expenses are in Indian Rupees, however significant percentage of revenue are denominated in US dollars. Based on Management's decision, the Group has not entered into foreign exchange forward contracts to cover its foreign exchange exposure from January 2020 onwards. The Group monitors the exposure due to foreign currency fluctuations and decides to hedge based on its internal policy

The Impact of unhedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

| | Change in USD and AED rate | Effect on profit before tax | Effect on pre- tax equity |
|----------------|-------------------------------|--------------------------------|------------------------------|
| March 31, 2021 | 5% | (1.25) | (1.25) |
| | -5% | 1.25 | 1.25 |
| March 31, 2020 | 5% | (2.87) | (2.87) |
| | -5% | 2.87 | 2.87 |

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 Risk Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 28,490.82 lakhs and 23,503.03 lakhs as at March 31, 2021 and March 31, 2020 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.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

40 Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group's prime source of liquidity is cash and cash equivalent and the cash generated from operations. In addition, Group has overdraft facility with HDFC bank. The Group invests its surplus funds in bank, fixed deposits and mutual funds, which carry minimal mark to market risks.

| | On demand | Less than 1 year | 1 to 3 years | > 3 years | Total |
|---------------------------------------|-----------|---------------------|-----------------|-----------------|------------------|
| As at March 31, 2021 | | | | | |
| Provisions | - | 677.21 | - | - | 677.21 |
| Lease liabilities (refer note 35 (b)) | - | 1,551.48 | 2,194.86 | 3,899.79 | 7,646.13 |
| Trade and other payables | - | 3,872.64 | - | - | 3,872.64 |
| | - | 6,101.33 | 2,194.86 | 3,899.79 | 12,195.98 |
| As at March 31, 2020 | | | | | |
| Provisions | - | 755.11 | - | - | 755.11 |
| Lease liabilities (refer note 35 (b)) | - | 1,974.20 | 2,475.00 | 3,145.90 | 7,595.10 |
| Trade and other payables | - | 3,312.97 | - | - | 3,312.97 |
| | - | 6,042.28 | 2,475.00 | 3,145.90 | 11,663.18 |

41 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's policy for capital management aims to enhance capital efficiency by the long-term improvement of its value through business growth, while maintaining a sound financial structure. Indicators for monitoring the capital management include total equity attributable to owners of the parent and ROCE (ratio of earnings before net interest and tax to total capital employed of the Group).

| Return on Capital Employed | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Profit Before Taxes | 5,365.93 | 3,907.65 |
| Less: Finance Income | (1,440.62) | (1,632.95) |
| Add: Finance Cost | 482.52 | 524.95 |
| Earning before Net Interest and Tax | 4,407.83 | 2,799.65 |
| Equity Share Capital | 1,143.58 | 1,138.31 |
| Other Equity | 25,186.11 | 21,685.81 |
| Capital Employed | 26,329.69 | 22,824.12 |
| ROCE | 17% | 12% |

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

42 Investments in an Associate

During the year 2019-20, the Group has acquired 26.09% interest in Astro Vision Futuretech Private Limited, which is involved in vedic based astrology solutions by providing astrology content and astrology software in more than 10 Indian languages. Astro Vision Futuretech Private Limited, which became associate of the Group with effect from February 11, 2020, is a private entity that is not listed on any public exchange. The Group's interest in Astro Vision Futuretech Private Limited is accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's investment in Astro Vision Futuretech Private Limited:

a) Summary of Balance sheet

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|-------------------------|-------------------------|
| Non-current assets | 372.35 | 149.57 |
| Current assets | 325.61 | 560.71 |
| Non-current liabilities | 164.65 | 48.40 |
| Current liabilities | 274.90 | 186.41 |
| Equity | 258.42 | 475.47 |
| Group's Share in equity-26.09 % (2020-21) | 67.42 | 124.05 |
| Goodwill | 483.97 | 483.97 |
| Group's carrying amount of the investment | 551.39 | 608.02 |

b) Summary of Statement of Profit and Loss

| Particulars | Year ended March 31, 2021 | For the Period February 11, 2020 to March 31, 2020 |
|--|------------------------------|---|
| Revenue from contracts with customers | 1,356.58 | 154.19 |
| Other income | 17.05 | 3.75 |
| Employee benefit expense | 708.77 | 102.04 |
| Other expense | 907.43 | 104.10 |
| Depreciation & amortization | 35.71 | 2.73 |
| Finance cost | 17.89 | 3.20 |
| Profit before tax | (296.17) | (54.13) |
| Profit for the period / year | (219.19) | (24.07) |
| Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax | 2.14 | 0.48 |
| Total comprehensive income for the period / year | (217.05) | (24.55) |
| Group's share of profit /(loss) for the period / year | (56.63) | (6.41) |

The associate has contingent liabilities of Rs 59.21 lakhs respectively as at March 31, 2021 and March 31, 2020 and capital commitments of Rs Nil and 20.00 lakhs respectively as at March 31, 2021 and March 31, 2020.

Notes to the consolidated financial statements

for the year ended March 31, 2021

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

43 Events after the reporting period

The Board of Directors, at its meeting held on May 11, 2021 have recommended a final dividend of 70% (Rs 3.5 per equity share of par value of Rs 5 each), subject to the approval of the Shareholders.

44 Previous year comparatives

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

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

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

Aravind K

Partner

Membership No: 221268

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

S Vijayanand

Company Secretary

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Place: Chennai

Date : May 11, 2021

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

