

August 19, 2019

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

**Sub: Call transcript of Investor/Analyst conference call under regulation 30(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

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

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the call transcript of Investor/Analyst Conference call with the Company held on 8<sup>th</sup> August 2019 is attached herewith.

The aforesaid information is also being hosted on the website of the Company viz., [www.matrimony.com](http://www.matrimony.com).

Submitted for your information and records.

Thanking you

Yours faithfully,

For Matrimony.com Limited



**S. Vijayanand**  
Company Secretary & Compliance Officer

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**matrimony.com**

**“Matrimony.com Limited  
Q1 FY2020 Earnings Conference Call”**

**August 08, 2019**

**ANALYST: MR. KULDEEP KOUL - ICICI SECURITIES LIMITED**

**MANAGEMENT: MR. MURUGAVEL JANAKIRAMAN - PROMOTER &  
MANAGING DIRECTOR – MATRIMONY.COM LIMITED  
MR. SUSHANTH PAI - CHIEF FINANCIAL OFFICER -  
MATRIMONY.COM LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Matrimony.com Limited Q1 FY2020 Earnings Conference Call hosted by ICICI Securities Ltd. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kuldeep Koul from ICICI Securities. Thank you and over to you!

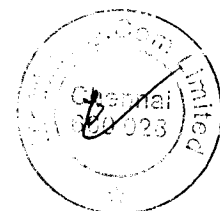
**Kuldeep Koul:** Thanks everyone for joining us on the call today. We have with us the senior management of Matrimony.com Mr. Murugavel Janakiraman, Promoter & Managing Director and Mr. Sushanth Pai, Chief Financial Officer. As is typical, we will start the call with preparatory remarks from the management, which will be followed by Q&A. With that over to you Muruga!

**Murugavel J:** Thank you Kuldeep. Good afternoon. I am happy to state on a consolidated basis, we have achieved Rs.95.5 Crores of revenue in Q1, which indicates a strong growth of 10.9% quarter-on-quarter and 6.7% year-on-year.

Key highlights for the matchmaking business are as follows. In Q1, billing was at Rs.87.7 Crores, a growth of 2% year-on-year and decline of 3.4% quarter-on-quarter. Revenue at Rs.91.1 Crores, a good growth of 10.8% quarter-on-quarter and 6.6% year-on-year, 4 million active profile as at June 30, 2019. We added 1.23 million profiles in the quarter denoting a growth of 13.3% quarter-on-quarter. Paid Subscription of 176,877 added during the quarter. ATV, average transaction value for the matchmaking business increased by 10.7% year-on-year and had a decline of 1.3% quarter-on-quarter. We continue to track impact we create for our customers, we are happy to state that we have created about 26,000 success stories in Q1. We continue to see strong growth in free profile across the domain on a quarter-on-quarter basis. As part of the initiative to create industry leading trust and safety features for member, we recently launched a unique 6-point safety feature called Trust Badges that will be displayed on member profiles after they complete an authentication process. We have also stepped up our efforts towards other players misusing trademarks on Matrimony.com that in turn misled our customers. We have obtained many injunctions and will continue to monitor this area closely and take appropriate legal action.

I am happy to share that BharatMatrimony has been conferred with the prestigious Superbrand 2019 status by leading Independent brand arbiter Superbrand India. This year effort was endorsed by 18,013 customers whose code across 2018 brands and 244 categories and our Find Your Equal campaign starring MS Dhoni won the award for gender sensitivity at the International Advertising Association, India AA regional award.

Now coming to the marriage services business, key highlight for Q1 are as follows: the billing at Rs.4.6 Crores, a growth of 13.2% quarter-on-quarter and 38.4% year-on-year. The revenue was at Rs.4.4 Crores, a growth of 12% quarter-on-quarter and 23.4% year-on-year. The losses were at Rs.4.4 Crores in Q1 as compared to Rs.3.4 Crores in Q4. In Q2, we expect the losses will be



around Rs.4 Crores. On a consolidated revenue outlook for Q2, we expect revenue to decline slightly from Q1 level due to inauspicious period and seasonality.

Let me pass on to Sushanth Pai, our CFO to comment on the key profitability highlights.

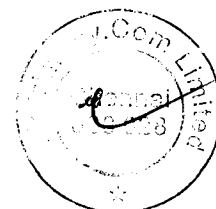
**Sushanth Pai:**

Thanks Muruga, before I discuss the highlights, I would like to provide an update on Ind-AS 116 on leases because it has had an impact on EBITDA and PAT for the quarter. So effective April 1, 2019 we have adopted Ind-AS 116 leases and applied to all our lease contracts existing on April 1, 2018. We have used the full retrospective method for this, which means the standard has been applied from the date of the commencement of the respective leases so therefore in the statement of profit and loss, the nature of expenses in respect of leases has changed from lease rent in the earlier periods to depreciation cost on the right of use asset and finance cost on the lease liability as per Ind-AS 116. The cumulative impact of the adoption of this standard net of taxes has been debited to retain earnings as of the transition date. Therefore, since we have adopted the full retrospective method, the comparative figures for the quarter and year ended March 31, 2019 and the quarter ended June 30, 2018 have been restated to reflect the adoption of Ind-AS 116. Though the adoption of Ind-AS 116 has not resulted in a material impact on the net profits however, it has resulted in an increase of about Rs.4.9 Crores at the EBITDA level in Q1 thereby creating a positive impact of about 500 basis points to EBITDA margins. So therefore if you look at the data sheet, you will see the numbers different from what was published in the earlier data sheet because of this transition. However, since we have used the full retrospective method, all the numbers have been restated so therefore there is a like-to-like comparison.

Our EBITDA margins for the matchmaking business in Q1 is at 26.4% as compared to 23.4% in Q4, so even with the Rs.2 Crores of higher marketing expenses that we incurred and also the salary increments that has been factored in Q1, we have improved profitability for matchmaking business by 300 basis points, which is mainly driven by the revenue growth and also other cost in the matchmaking business apart from marketing being very flat. So this is in line with the earlier indication that we have provided last quarter that matchmaking will come back to the 20 plus percentage level and even if you exclude the Ind-AS 116 impact, we will still be at 21% levels in matchmaking.

On a consolidated basis, our EBITDA margins in Q1 are at 17.7% compared to 14.9% in Q4, tax rate is 29% in Q1, Q1 PAT is at Rs.9.3 Crores increase of 31.3% on a quarter-on-quarter, PAT margin is at 9.7% compared to 8.2% in Q4 so on the profitability aspects, I think we have improved on EBITDA and PAT from quarter-on-quarter basis. Now the outlook on Q2 EBITDA margin is as follows, so we expect Q2 EBITDA margin to be in a similar range of that of Q1, basically similar range of what we have achieved in Q1.

I would like to end with the customary safe harbour statement. Certain statements during this call could be forward-looking statements on our business or a number of risk and uncertainties that could cause the actual results to differ materially from such forward-looking statements. We do not undertake to update any such forward-looking statements that may be made from time-to-



time by or on behalf of the company unless it is required by law. Now I turn it on to Steven for Q&A.

**Moderator:** Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Archit Singhal from Safe Enterprises. Please go ahead.

**Archit Singhal:** Thanks for the opportunity. Two questions from my side, firstly if you can give the full-year outlook on growth given for first quarter, we saw a single-digit growth so what could be the outlook for FY2020 and second would be in terms of margins, obviously it is good to see margin improvement in first quarter so for the full-year do we expect further margin improvement?

**Sushanth Pai:** So on the growth you are right, in Q1 we had a very good revenue growth overall because of also the strong billing that we had in Q4, for Q2 we have said that because of seasonality, the revenue will slightly decline from Q1 levels, overall for the year for FY2020 we had indicated that we will achieve better growth than what we had achieved in FY2019. On the margin front yes, we have done, we have bounced back on margins on the matchmaking business, we are at 26% EBITDA and the losses in marriage services has increased slightly or rather from Rs.3.4 Crores to Rs.4.4 Crores. For Q2 the EBITDA margins at an overall enterprise level will be at similar levels as what we have achieved in Q1, this is the combination of that matchmaking will retain similar levels and marriage services the loss will come down slightly from Rs.4.4 to Rs. 4 Crores. Overall for the year as well we need to see how it shapes up as we go along, but we hope that if the growth happens as per expected, margins can be sustainable at these levels.

**Archit Singhal:** Okay thanks Sir and in terms of the advertising and marketing expenditure, so the quarterly run rate seen in first quarter, is it fair to assume that the run rate will be similar going ahead also or can it increase in second half?

**Murugavel J:** At this point, the outlook will be similar to the current level of marketing spend again it also depends upon on what is happening in the market space, if we see the way, heightened increase or further increase in competitive activity which you may need to step up but at this point in time, we believe that the current level of marketing spend, is good enough.

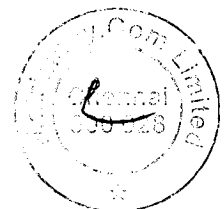
**Archit Singhal:** Understood Sir and final question what is the cash on books as of now?

**Sushanth Pai:** So our cash position as of June 30, 2019 is about Rs.228 Crores.

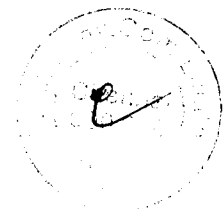
**Archit Singhal:** Okay Sir that is it from my side. Thank you.

**Moderator:** Thank you. The next question is from the line of Shashi Bhushan from Axis Capital. Please go ahead.

**Shashi Bhushan:** Thanks for taking my question, pretty good quarter. In terms of pricing, how is the competitive scenario shaping up in select few markets, which are actually dragged our performance?



- Murugavel J:** Particularly in the markets, North and West, obviously the discounts are at a very high percentage but thankfully that we have a strong reach and position in the South and East market where we are able to continue to get a better price. These two markets, North and West, the price is one of the issues wherein our realization of those markets are less compared to what you get in another market.
- Shashi Bhushan:** Did we see that competitive intensity easing off a bit?
- Murugavel J:** Not at this point of time, so we continue to see similar level of competitor intensity, we continue to monitor and continue to take the right step to ensure that our business growth and interest are protected, and we continue to track the growth.
- Sushanth Pai:** The only one thing I would like to add is that if you see the profile growth of 13.3% quarter-on-quarter and if you see the average registrations per day moving up from whatever 11,000 plus a year back to about 13,000 plus today, the good thing is that the profile growth has come from all regions, is not only from the South, it is from all regions so what happens to be seen is that putting a lot of measures in place such that we do the conversion in a very efficient way so that is what we are focusing right now in terms of segmentation, treating each customers in a unique way and making sure that each person has a good product experience and we are working on many of these initiatives to get the conversion. Otherwise from a brand perspective because we are seeing an all-round improvement in profiles or rather increase in profiles from all regions.
- Murugavel J:** Thanks Sushanth, I definitely want to highlight that one, the profile growth is one of the best profile growth we had year-on-year, more than 20% growth, so the growth came across the market and not limited to only our strong market that indicates that we are doing the right thing. The profile acquisition is indicated towards what is going to happen in the future because finally the increase in profile acquisition assure progress will translate into better conversions. Though in a couple of market while you see that pricing issue, but good thing is that the profile acquisition has been very good that comes across the regions.
- Shashi Bhushan:** If I look at the paid subscription Sir, they are still weak on a Q-on-Q or Y-on-Y basis so those profile additions are not seen translated into the paid subscription as of now, so do we see this trend reversing given our strong spend in sales and marketing?
- Murugavel J:** Some market we have challenge of converting into a similar level as in our strong market so while the profile acquisition is good the conversion happened over a period of time. So we are also looking at as Sushanth mentioned, we are looking at customers who fall in a different segment differently, so what is going on, all these efforts will probably yield a better conversion and better paid subscription as you progress.
- Sushanth Pai:** Other point I wanted to add Shashi is that one of the key things that determined conversion is to also have more women profile onto the platform so typically our proportion has been like 75-25 but to increase that we are doing various measures and outcome of that is a slow process for example I think Muruga explained that we have launched Trust badge system verification



system, we did secure connect last year, but the conversion or more women coming in is a slow process because there are apprehensions from women perspective, which is what we are trying to remove and increase that percentage. When some of the initiatives actually kick very well on the ground, we believe that paid profile increase can happen as we go along.

**Shashi Bhushan:** And if I look at marriage services, our losses actually widened so what would be the level of investment that we are looking for going forward both from FY2020 and FY2021 perspective, is the current run rate is what should be the stable one that we should forecast for the next three to four quarters?

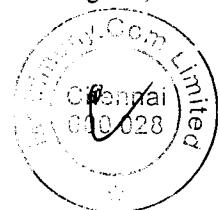
**Murugavel J:** In terms of revenue growth, we expect growth to get better further move up, in terms of losses it will be around Rs.3 Crores to Rs.4 Crores, but as Sushanth mentioned that Q2 is around Rs.4 Crores, losses may come down or probably operate at a similar level as around Rs.4 Crores so the growth would be definitely much better than what you have seen in Q1.

**Shashi Bhushan:** Thanks a lot Sir and all the very best.

**Moderator:** Thank you. The next question is from the line of Salil Desai from Marcellus. Please go ahead.

**Salil Desai:** I just wanted to continue on earlier question from Shashi, free registrations we saw 22%, 16% growth in 2017-2018 and 10% in 2019, but still the paid subscriptions are down about 2% in 2019 and started the year with about 7.5% decline so even three years of strong registration growth good enough to transferring transition to paid subscription on, how much longer is that gestation when do you see the transition happening? Or is there some other issue with the people are not paying enough and revenues are getting delayed, if you can throw some light on how the market is behaving?

**Murugavel J:** There are couple of things one is that, look at our ATV has moved up from Q1 of last year at Rs.4,400 to now Rs.4,900. So one thing we believe that it is important to sell at the right price. So one thing that we have done is tightened our price at which we are selling, again it varies from market to market. It is one of the reason because we do not want to get into a deep discounting since it does not help. Obviously some market we give discount where there is competitor pressure particularly in North and West markets where the pricing is comparatively lesser than what you sell it at South or East. Second thing is that when the profile growth has been good, we are not able to convert the way we are able to convert in some of the markets because today the discounts are very high and again there is also increased competitor marketing activities so that is another reason that the conversion at some market are less. Third is that today the profile acquisition has been a combination of both online marketing and offline marketing and compared to the kind of profile acquisition what you had, so some of the profile acquisition which have happened through certain channels, their conversion percentage would not be as good as when a person comes directly to the website and create a profile. So the mix is also slightly different when the profile acquisition overall level is good, It is a combination of all these factors, but having said that we continue to leverage technology and see whether how you can effectively segment and how can effectively realized based on the market, based on the various segment,



that is something we have been working on it and we believe that as we progress we will be able to convert effectively and be able to drive the paid subscription. While Q2, normally, is a slow quarter as it is an inauspicious period, but we believe that we will be able to perform better and may not be as bad as what we are hoping to achieve this quarter. Let us see how it goes, but Q3 definitely we believe that we will be able to drive a better paid subscription.

**Salil Desai:** Sir any idea how elastic this is, if you had actually increased discounts instead of 11%-odd growth we have seen in ATV if you had let's say kept ATV at lesser growth, would you have had paid subscription growth significantly better than what you are seeing right now?

**Murugavel J:** Definitely the number of paid subscriptions have gone up as we have given more discounts. Again the question of whether what you want to manage it properly, I believe that it is rightly managed between the price as well as paid subscription. Once we adopt the price there could have been an increase, in definitely, paid subscription. But again having said that we believe that there is no reason to go beyond certain price in some of the market and again we do not want to get to the deep discount since we believe that it is not good for brand in the long run as a leader, where you enjoy definitely good markets or in most of the markets so we believe that selling at the right price. Again customers are able to buy into those prices so we do not want to give unnecessarily discount, but definitely discount in some market in North and West is needed to gain market share so we see a traction happening on those markets. So to answer your question, the volume would have gone up with paid subscription if we adopt that price but would not have increased more revenue,

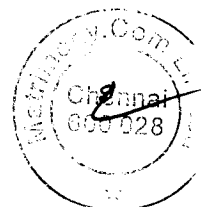
**Salil Desai:** Okay that is helpful and Sir lastly what you trying to do outside of the southern regions whether it is advertising spend or the surprising discounts? How do you measure the success on this, is there a number that you can share say that profile acquisition, what is the growth that has been in South and ex-South, some other matrix that you can share with us?

**Murugavel J:** Some say that the growth is across India while at this point of time we are not giving the breakup of South versus North or West for competitive reason, but what we can say is that the growth has been across the regions, across the segment so the ATV standard actually in fact some of the markets have witnessed a very high growth.

**Salil Desai:** Okay thank you.

**Moderator:** Thank you. The next question is from the line of Kuldeep Koul from ICICI Securities. Please go ahead.

**Kuldeep Koul:** Hi I just have one question so one of your peers has seen a change in leadership recently so I was wondering what you are updated thoughts on consolidation in the industry and whether you would want to sort of consolidate the market structure or remain largely focused on organic execution?





- Sushanth Pai:** Our focus right now is more on the way we want to grow, the way we want to make a difference in terms of product, conversion, many of the initiatives that we are taking and I think we see a tremendous opportunity given our market position in the South as well so obviously North and West has a different dynamic, but these are some thing which is not in our control, consolidation or how other party behaves is not in our control so therefore we just have to wait and watch to see what happens in terms of the whole industry scenario, but right now our focus is more on organic on how to make ourselves better.
- Kuldeep Koul:** Fair enough, but you guys would not be averse to deploy the balance sheet or use stock as a currency if such as opportunity were available?
- Sushanth Pai:** I think we will have to evaluate as and when things come up, it is too early to say when nothing on the plate early to say that do something unless something comes up I think it is very difficult to comment on these lines.
- Kuldeep Koul:** Fair enough, so one other small question so typically collections are seasonally soft in Q2, but this time we have seen that matchmaking services collections are down by 3.4% Q-on-Q and even the Y-o-Y growth is very tepid at just around 2% so I was wondering what would be the reason for softer execution on the collection side?
- Murugavel J:** Basically Kuldeep as we look at the revenue bounceback in Q4 and on the matchmaking business and while that has started revenue in Q1, but Q1 billing as Rs.87.7 Crores, a small percentage growth. But we have bounced back on the growth compared to the lows what we had in Q3, which happened on account of various issues, pricing discount, competitor intensity etc. We are bouncing back on our growth and as we progress we believe that the growth will get better, We believe that we will be able to bounceback because profile growth has been good and we are taking necessary steps to increase the conversion .We will be able to convert better and able to drive the growth better actually.
- Sushanth Pai:** I think Kuldeep is also a little fallback effect if we see matchmaking billing in Q3 was about Rs.82 Crores and we grew tremendously in Q4 so I think that also created a little bit of skewness in Q1 in terms of billing because lot of things happened in Q4 and Q3 was the time we also tweaked many things to make pricing optimization and therefore we took some time to settle down and then picked up in Q4 tremendously so I think it is a little bit of skewness between quarter and quarter.
- Murugavel J:** But one thing what I can say that it with the bounceback what we had, it helped the matchmaking EBITDA margin to move up.
- Sushanth Pai:** Irrespective of Ind-AS leases, margins moved up 300 basis points.
- Murugavel J:** It is at 20 plus percentage we believe that we will be able to operate at similar percentage and as we progress probably able to drive that percentage better. Excluding marketing, the good thing that matchmaking EBITDA margins have moved to 55% so compared to the similar level of



what you had in Q1 of corresponding year so that way the EBITDA margin on matchmaking business moved up and excluding market we have moved to 55%, we have come to healthy level, but think that having moved to 20% plus once we are able to drive the growth the margin can get better.

**Kuldeep Koul:** Fair enough, point taken. Thanks very much.

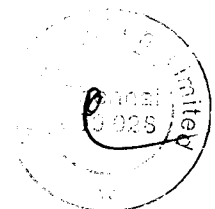
**Moderator:** Thank you. The next question is from the line of N Puranik from Enam Securities. Please go ahead.

**N Puranik:** I have questions for you on how much is technology intensive is your business, how well you use AI machine learning and deep learning to recognize patterns of various successes you built over time, you must have built by there are some profile who succeed, some do not succeed, have you analyzed your successful profiles, what led to this success and how predictive tools perhaps would have built into this and what goes into the algorithm to see if you can educate on this that would be useful and what is the learning from your successful matching and not so successful matching?

**Murugavel J:** Thank you Puranik while we do not measure once people get married, it is not that they are going to come back to us, they have been happily married, we believe that million of people got married through Matrimony.com continuously happy that we do not get complaints from people that they got married through Bharatmatrimony.

**N Puranik:** I am talking about how using the data basically and not saying that what you have to get into personal life and enquire so what the patterns, I am talking about the patterns?

**Murugavel J:** I understood, we use AI across spectrum be it on the product side, be it on the sales side, be it on the process improvement because today AI has been making inroads across the various segment We pioneered in some of the initiatives because we have begun investing in it. We have machine learning Algorithm, called MIMA, Matrimony.com Intelligent matchmaking Algorithm which is able to understand what kind of matches go well based on the past preferences, acceptance and success. They are able to continue and show relevant matches, having said that AI is something that has been evolving much rapidly and lot of things are happening. While we have pioneered in some of our initiatives, does not mean that we are not learning and improving. We are deploying these AI in various spectrum including the sales side as I said, process side, one of the part you mentioned about the segmentation is largely driven by AI based analytics. So coming to matchmaking, definitely will continue to leverage AIs but having said that it is version lots to be done because the number of information we captured from the customer is quite large, but thankfully the Indian matchmaking works by and large within the certain preferences, you know religion, language, community, with three things alone where the majority of matches falls. When you divide people based on these broad segments, religion, language and community, it becomes much more segmented actually. While we have 4 million customer, between these three broad segments, it is million actually, it comes to age and education but having said that two areas we looking at relevant matters and continue to looking at how to optimize some other



things. So lot of work is happening. So I would not say that it is something we have done and we have perfected, while it is an ongoing thing because technology is also evolving, things are evolving, but good thing is we understand the importance of AI. We are actually leveraging AIs in various areas so AI is one of the important technology lever for us and we are quite happy with the way we have been able to effectively use AI in various areas in organizations.

**N Puranik:** So how significant role AIs played in your matchmaking success?

**Murugavel J:** It definitely play a role, but while AI is there but all said and done, humans are very difficult to predict, but what appeals to one person is not necessarily the same for other. If you look at the similar looking profile may not, because there are so many things going behind the match, but again we continue to learn and continue to look at how to improve the matches, but having said that, it depends on how long the person has been using the website also. When someone create a new profile even for the best match algorithm, person wait for the best matching profile, even if the person gets the most relevant profile, would the person get married to the most relevant profile, he may not, because people look for options, people continue to evaluate the best possible matches, only as time progresses and depends on, again I would call it as one thing called intensity, what is the intensity of the person looking for life partner, someone starting at early stage of matchmaking process and person has a time frame in his mind, the person continue to look for more and more matches till come to point of and say I think okay enough is enough, let me move on and get married. So I think a bit of psychology also plays into this actually, but on the other hand someone has been of certain age, not found a life partner when person comes to matrimony, he find a reasonable profile that matches, the chances of that person getting married is quite high. So it depends on intensity of person and the eagerness of how quickly the person wants to get married, Again that is also in a way influences the response and the selection criteria as well. Hope I was able to communicate on the point.

**N Puranik:** Volume and variety perspective do you think you have enough fit in your profile?

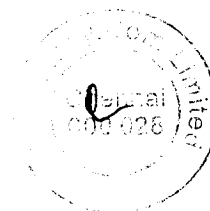
**Murugavel J:** Absolutely because it is 4 million active profile in matrimony.com, we have the widest range of profile across community, across the market, across the region so that way we are India's largest matching site.

**N Puranik:** So from you and your competition, their database and your database? It there a lot of overlap, commonality in their database and your database, would there be at date when many matching engines match with each other?

**Murugavel J:** So I do not think that is going to happen, we do not go to integrate some other database ...

**N Puranik:** You think there will be a lot of overlap or they are all distinctly different?

**Murugavel J:** It is vary market to market, we do not see much overlap in the market like East and South, definitely there will be overlap in the North and West so we do not know what extent the overlap



because we do not have access to their data, . It is very difficult for us to say what would be the overlap, but you can say that comfortably the South and East the overlap is very minimal?

**N Puranik:** So what you are saying increasingly the technology will play some role, not a very significant role going forward?

**Murugavel J:** No it will play a very significant role, maybe I did not communicate well. It is going to play very significant role and there is no doubt about it.

**N Puranik:** That significance comes from what? Is it from new technology from your learning experience, pattern building how that will happen?

**Murugavel J:** Combination of multiple things, one is about the data capturing what we are doing, , the other is the intricacy of data what you are capturing, how effectively you are leveraging the data, how effective you are able to leverage the technology to provide best matches and again many things. Match is one thing, they are many things where we can use technology to deliver value to the customer. The technology continue to play a vital role for conversion aspect. Finally what you have and the data capturing methodology what you have deployed. So it is a combination of data, data capturing and the technology.

**N Puranik:** So how many of your clients remember you on their wedding anniversary day?

**Murugavel J:** It is good question hope, they are all remember me, I am sure they remember positively.

**N Puranik:** How long they remember, is it for three years, five years or 10 years, what is your experience?

**Murugavel J:** No. People remember for life long, today when I travel and meet people, say after 10 years or 15 years of marriage, they remember. Even today in an interview one candidate has said he got married through us. One thing is sure, when I come across people, who got married through us, they remember us for life long.

**N Puranik:** So do you wish them and they will in turn wish you every anniversary day?

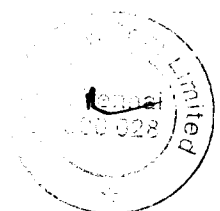
**Murugavel J:** They do not come and wish

**N Puranik:** No in the sense do they send message to you or talk to you or you talked to them on their anniversary days, method to connect with them?

**Murugavel J:** We do communicate to them on the anniversary.

**N Puranik:** Okay good interesting thank you.

**Moderator:** Thank you. The next question is from the line of Prince Poddar from JM Financial. Please go ahead.



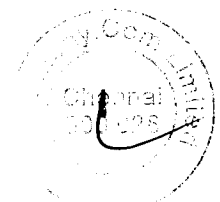
**Prince Poddar:** Sir just one question I am sure this question you have been asked many time, how do you really price a product like matrimony website, I mean lot of money get spent on the weddings in India, but Rs.3,000 or Rs.4,000 kind of pricing, I am not sure how one derives that pricing and going forward when probably this kind of competition gets over or heavy discounting is over, one would also be looking at kind of price hikes he will be taking going forward so what is your view on that I mean how do you see the prices moving in this kind of competitive market?

**Murugavel J:** Thank you when we started this business, we were charging actually Rs.300 for one year. Today that Rs.300 for one year over a period of time has become Rs.4,700 for three months, but obviously over a period of time the price increase has come down, you are right when it comes to marriage, an average Indian spends around close to \$15,000, but when it comes to matchmaking spend, it is around 1% of actual money spend on the marriage. So you are absolutely right on that perspective with money spent on most important thing on the matchmaking. We have been increasing the price, but we are looking to balance between the price as well as conversion. We are continuously evaluating whether to increase the price or whether we are going to look at how to get better conversions. While we have been making slight prices increase, but at this point of time, the price increase may not be as high as we progress. We are also looking to convert because the good thing is that today we are able to acquire the profile at much better pace compared to the profile acquisition what we had in the past. Considering the current market scenario, the profile acquisition from Tier-3 would able to pay the similar level in Tier-1, the combination of various factors that we need to take into consideration but I do not expect the price increase at a better level so that we can continue to focus on how to drive conversion. Obviously the money spent on marriage is much higher than money spent on matchmaking that definitely gives the scope and lever for us to do the price increase again various factors plays into that one, so our focus by and large is to convert than drive the price.

**Sushanth Pai:** I would just like to add, I think still some people on the ground, website like us is still not the first choice, I think slowly it will happen as you go along and that is why continuously when you do innovation to make sure that is relevant to our customers and customer spread the word of mouth, it penetrates into Tier-2, Tier-3 all this happens, we will be able to see much clear picture and it is all work-in-progress so when Matrimony.com or website like us become the first port of call that is when we know I think we will see the real impact and that is what we want to work towards.

**Prince Poddar:** Okay I suggest two bookkeeping kind of questions I am not sure if you share this data, of your incremental profile which are being added of 20% growth in the way, how much is coming probably from Tier-2, Tier-3, Tier-4 cities kind of cities and how much is still coming from, of the incremental registration I mean, how much would be coming from Tier-1 metro versus Tier-2, Tier-3, Tier-4 cities?

**Murugavel J:** While not given the exact breakup, but the growth is across the segment, but definitely Tier-3 growth has been much better compared to Tier-1, Tier-2, Tier-3 growing at a faster pace.



**Prince Poddar:** Okay and do you share this how much growth you are getting from North versus how much getting from South and East?

**Murugavel J:** We are not sharing for the competitive reason.

**Prince Poddar:** Any sense on that I mean is it still the growth coming from more from South less from South?

**Murugavel J:** Growth is across the country in fact some of the market are going much better compared to North and West area revenues again across the market, not limited only in Southern market.

**Prince Poddar:** Okay that is it. Thank you.

**Moderator:** Thank you. The next question is from the line of Ashish Mirchandani from White Whale Partners. Please go ahead.

**Ashish Mirchandani:** I think my question is already asked previously, but if you could just throw some light on how the growth is being comparatively in North and South and what are the measures have been taken to penetrate in each of these regions?

**Murugavel J:** The steps we are taking to increase the marketing spend both offline as well as online that translating into profile acquisition but in terms of conversions, conversions also across the geography and while we are not giving the break up of North versus South, but what you can say that both the profile growth and the conversion is across the market.

**Ashish Mirchandani:** Okay thank you.

**Moderator:** Thank you. The next question s from the line of Priya Singh from Discovery Financial. Please go ahead.

**Priya Singh:** You said that cash in the balance sheet is Rs.220 Crores am I right?

**Sushanth Pai:** Rs.228 Crores.

**Priya Singh:** Right so what are the plans for using it like for inorganic growth and organic growth acquisition, or there are plans for next two years?

**Sushanth Pai:** Typically capital allocation policy we still are yet to formulate a very clear articulation on this policy but however broadly the cash will be used as one form as investment into the business that is one form, second it will be returned also to the shareholders as we grow profitable we could increase the allocation to shareholders and broadly that is it, on inorganic we need to see as and when it comes so we cannot determine that right now but we need to see how it shapes up as and when it comes.

**Priya Singh:** Who would you rate as your biggest competitors in the market right now in online space or offline space?



- Murugavel J:** Shaadi.com is our next big competitor.
- Priya Singh:** My question was like do you think that online space is your biggest competition right now?
- Murugavel J:** It is online. Offline while today there are 100 of maybe I do not know numerous marriage bureaus at local levels, all very small and unorganized. We do not have any large offline marriage services in India so for us online biggest competitors, so we have Shaadi.com who is the number 2 competitor.
- Priya Singh:** You can give breakup the premium matrimony services revenue and numbers and online, elite matrimony?
- Murugavel J:** Elite matrimony is growing well, but we are not giving the break up of individual segment in the matchmaking business again for the competitor reasons, but that business has been growing well.
- Priya Singh:** Thank you so much Sir.
- Moderator:** Thank you. As there are no further questions. Now I would like to hand the conference over to Mr. Sushanth Pai, Chief Financial Officer for closing comments.
- Sushanth Pai:** Thanks Steven. Thanks Kuldeep and thank you all for joining this call. If you have any questions, you can write to me and I look forward to staying in touch in the coming months. Thank you once again.
- Moderator:** Thank you. Ladies and gentlemen on behalf of ICICI Securities Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.

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(This document has been edited for readability)

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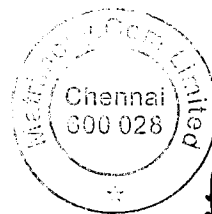
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A handwritten signature in black ink, appearing to read "Vijayanand S".