

July 13, 2020

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 31<sup>st</sup> March 2020.

The Annual Report is available 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**

**ACS: 18951**

**No.94, TVH Beliciaa Towers, Tower II, 10<sup>th</sup> Floor, MRC Nagar, Chennai – 600028**

**matrimony.com ltd.**

( CIN: L63090TN2001PLC047432 )

Corporate & Registered office: No:94, TVH Beliciaa Towers, 10th Floor, Tower 2, MRC Nagar, Mandaveli, Chennai - 600 028. Tamilnadu, India. Phone: 044-24631500

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*Celebrating 20 Years  
of Happy Marriages*



**matrimony.com**

Annual Report 2019-20



 **CommunityMatrimony.com**  
Over 300 Exclusive Community Sites

 **Elite**  
Matrimony

**matrimonybazaar**  
from BharatMatrimony

**mandap.com**  
from BharatMatrimony

# Corporate Information

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<b>Board of Directors</b> <b>Shri. Murugavel Janakiraman</b> Chairman & Managing Director <b>Smt. Deepa Murugavel</b> Non Executive Woman Director <b>Shri. Chinni Krishnan Ranganathan</b> Non Executive & Independent Director <b>Shri. Milind Shripad Sarwate</b> Non Executive & Independent Director <b>Shri. George Zacharias</b> Non Executive & Independent Director <b>Smt. Akila Krishnakumar</b> Non Executive Woman Independent Director	<b>Risk &amp; Governance Committee</b> <b>Shri. George Zacharias</b> – Chairman <b>Shri. Milind Shripad Sarwate</b> – Member <b>Smt. Akila Krishnakumar</b> – Member
<b>Chief Financial Officer</b> – Shri. Sushanth S Pai <b>Company Secretary &amp; Compliance officer</b> – Shri. Vijayanand S	<b>Auditors</b> <b>Statutory Auditors</b> <b>M/s. S R Batliboi Associates LLP</b> Chartered Accountants 6 <sup>th</sup> & 7 <sup>th</sup> Floor, “A” Block Tidel Park, No.4, Rajiv Gandhi Salai Taramani, Chennai – 600113
<b>Committees of the Board</b> <b>Audit Committee</b> <b>Shri. Milind Shripad Sarwate</b> – Chairman <b>Shri. George Zacharias</b> – Member <b>Smt. Akila Krishnakumar</b> – Member	<b>Internal Auditors</b> <b>M/s. R.G.N Price &amp; Co. Chartered Accountants</b> Simpsons Buildings 861, Anna Salai, Chennai – 600 002
<b>Stakeholders Relationship Committee</b> <b>Smt. Deepa Murugavel</b> – Chairman <b>Shri. Murugavel Janakiraman</b> – Member <b>Smt. Akila Krishnakumar</b> – Member	<b>Secretarial Auditor</b> <b>V. Suresh</b> Practising Company Secretary No. 28, 1 <sup>st</sup> Floor, Ganapathy Colony 3 <sup>rd</sup> Street, Teynampet, Chennai – 600 018
<b>Nomination and Remuneration Committee</b> <b>Shri. Milind Shripad Sarwate</b> – Chairman <b>Shri. George Zacharias</b> – Member <b>Smt. Akila Krishnakumar</b> – Member	<b>Bankers</b> HDFC Bank Ltd ICICI Bank Ltd YES Bank Ltd Kotak Mahindra Bank Ltd State Bank of India
<b>Share Allotment Committee</b> <b>Shri. Murugavel Janakiraman</b> – Chairman <b>Shri. Milind Shripad Sarwate</b> – Member <b>Shri. George Zacharias</b> – Member	<b>Registered Office</b> 94, TVH Beliciaa Towers 10 <sup>th</sup> Floor, Tower – II MRC Nagar, Mandaveli Chennai – 600 028
<b>Corporate Social Responsibility Committee</b> <b>Shri. Murugavel Janakiraman</b> – Chairman <b>Shri. Milind Shripad Sarwate</b> – Member <b>Smt. Deepa Murugavel</b> – Member	<b>Registrar and Share Transfer Agents</b> <b>KFin Technologies Private Limited</b> Selenium, Tower B, Plot 31 & 32 Financial District, Gachibowli, Hyderabad – 500032 Website: www.kfintech.com Email: einward.ris@kfintech.com



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# Celebrating 20 Years of Happy Marriages

Twenty years ago, in the late 90's in the US, as a pioneer in online matrimony, Shri. Murugavel Janakiraman, started a platform to build a community portal for Indians living and working abroad. The matrimony section gained immense popularity and he knew that he had a winning idea on his hands. His belief was further encouraged in 1999 when he found his wife, Deepa through his own portal.

Online matchmaking in India is largely fragmented and unorganised. While about 10-12 million marriages in India take place every year, online matches account for less than 10% of these, according to a report by KPMG in 2017. The size of the Indian wedding industry is estimated to be around USD 50 billion with an estimated growth rate of 20% YoY and is expected to continue at the same pace over the next twenty years. It is estimated that a cost of an Indian Wedding could range between Rs. 5 Lakhs to Rs. 5 crores. An Indian is likely to spend one fifth of his total life savings on a wedding. Of this, the matchmaking component is estimated to be Rs. 2,500 crore. A KPMG and an ASSOCHAM study taken together estimates the size of the online matrimony industry in India will exceed Rs. 5,000 crore in a few years.

Shri. Murugavel's sheer passion and ingenuity to seize this opportunity, gave birth to the idea of BharatMatrimony.com in the year 2000, becoming a pioneer in the online matchmaking space. The company went on to raise early capital from global marquee investors like Yahoo, Canaan Partners and Mayfield and then went on to get listed on the Indian Stock Exchanges in 2017.



Similar Family Values Connected  
Kushal and Panchal on GujaratiMatrimony



Two Travellers Find Their Destination on BengaliMatrimony



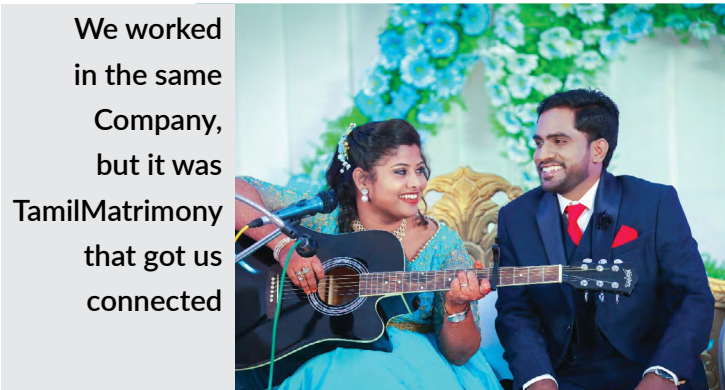
I Found My Life Partner in Two Days on BharatMatrimony



We Got Married within a Week



MarathiMatrimony brought Two Doctors Together



We worked in the same Company, but it was TamilMatrimony that got us connected

Ruchita went Down on Her Knees and I was Over the Moon



I Found Nino Within a Month on KeralaMatrimony



Delhi to San Francisco Connection on BharatMatrimony



Saburi Proposed to Pranjal on Valentine's Day with 24 Love Letters

Over the years, constant efforts have been made in innovation and technology, like Artificial Intelligence and Machine learning to help improve the partner search experience for members and to give a seamless user experience to improve the customer base. The company doesn't see matrimony as just a mere transaction, it revolves around trust. Hence authenticity of profiles is crucial to the company to build the trust of its users. The company's vision statement for BharatMatrimony is "build a better Bharat through better marriages".

Today Matrimony.com is the largest and most trusted matchmaking platform catering to the Indian diaspora across the world.





# About Matrimony.com

Matrimony.com was founded by Shri. Murugavel Janakiraman and is celebrating 20 years of successful matchmaking. The company pioneered the online matchmaking space through its flagship brand BharatMatrimony.com. By adopting a micro market strategy, the brand offers a range of targeted and customized products and services that are tailored to meet the requirements of customers. After launching BharatMatrimony.com, it gradually developed other matchmaking services namely EliteMatrimony in 2008, CommunityMatrimony in 2009, AssistedMatrimony in 2010 and also ventured into marriage services segment in 2015. With 15 regional and more than 300 community portals based on varied communities of the Indian origin, the company caters to the Indians all across the globe.

Today, Matrimony.com is the market leader in the Indian online matchmaking space boasting a total registration base of 39.82 Mn profiles – since 2006 and an active profile base of 4.60 Mn as on 31<sup>st</sup> March 2020. The company also offers offline matchmaking services with a presence at more than 140 locations across several cities in the country for better customer reach and user accessibility.

With a constant endeavor to innovate and upgrade technology to provide seamless user experience, Matrimony.com has been able to create a quality database of profiles, which is critical to build trust and to be able to create an average of 1,00,000 successful matches every year.

**39.82 Mn**  
Profiles registered since  
January 2006

**4.60 Mn**  
Active User profiles

**7,00,000+**  
Paid Subscribers in FY20

**Highest  
Market Share**  
Pan India

Matchmaking Services



**BharatMatrimony** - The flagship brand, has become a household name and is well accepted by the customers as their preferred choice for online matchmaking. Following a micro-market strategy, BharatMatrimony comprises of 15 regional portals namely TamilMatrimony, KeralaMatrimony, TeluguMatrimony, BengaliMatrimony, HindiMatrimony, etc. BharatMatrimony has been ranked as India's most trusted online matrimony brand by the 'Brand Trust Report India Study 2014' and has also been featured in the LIMCA book of records for record number of documented marriages online. BharatMatrimony is endorsed by India's iconic cricketer, MS Dhoni through the Find Your Equal campaign. The company had carried out this marketing campaign with a motive of spreading brand awareness as well as creating awareness for the equality of women in our society.



**CommunityMatrimony** - In India, 95% of the people get married within their own community. CommunityMatrimony.com was launched in the year 2009 and consists of 300 different community websites namely ChristianMatrimony, MuslimMatrimony, YadavMatrimony, SikhMatrimony, JainMatrimony, etc. Being the largest community website in the country, its niche portals cater to nearly every community in the country.

Premium Matchmaking Services

**The company also pioneered premium category of matchmaking services through its two services AssistedMatrimony and EliteMatrimony where personal relationship managers assist you in finding a relevant profile.**

**AssistedMatrimony** - It was launched in the year 2010 and it is a value-added matchmaking service crafted for the individuals who have busy schedules and require assistance in finding the right partner.

**EliteMatrimony** - It was the first of its kind in premium matchmaking services, founded in the year 2008 with actor, Shri. R Madhavan as a brand ambassador. The portal provides specialised matchmaking services for the rich and affluent.

Marriage Services



**MatrimonyBazaar** – An online marketplace providing wedding related services whereby 22,000 vendors for photography, catering and decoration etc. are listed, more than 18,000 weddings planned. Services Available in more than 36 cities



**Mandap.com** - A wedding venue booking platform with more than 7,000+ mandaps, banquet halls, convention halls, etc.

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20 Years of Milestones

2000  
matrimony.com

- Incorporated Matrimony.com
- 
- Launched flagship brand BharatMatrimony

- 2001
- BharatMatrimony opens offices across India in Mumbai, Bangalore and Hyderabad

- 2004
- BharatMatrimony sponsors the Miss India-USA pageant
  - BharatMatrimony officially opens office and starts operations in Dubai.
  - Murugavel Janakiraman is honored by the AICC with the "Top 5 Under-35 South Asians" Award.

- 2006
- Received first round of funding of USD 8.65 Mn from various PE investors
  - Featured for record number of marriages online

- 2007
- The Most Visited Matrimony Portal in the World - Alexa, TrafficEstimate and Comscore

- 2010
- Launched "AssistedMatrimony"

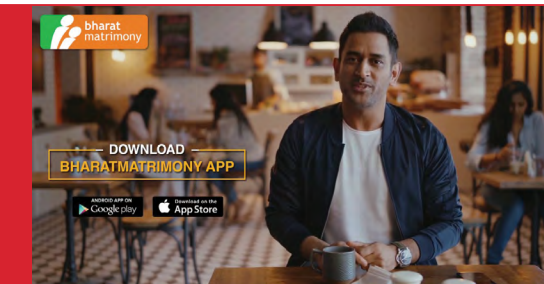
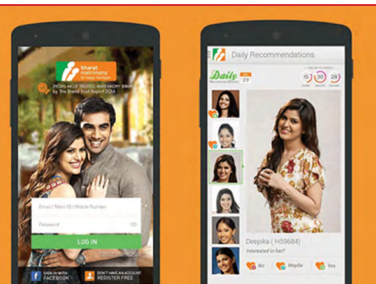
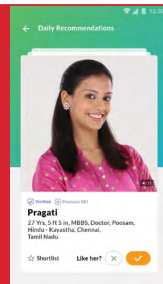
- 2011
- "BharatMatrimony" made available on iPhone, iPad, Android, Blackberry, Nokia devices.
  - 140+ Matrimony retail outlets across in India

- 2014
- Ranked India's Most Trusted Matrimony Brand – by brand trust report
  - Happy Marriage TV Commercial rated among the Best Ads of 2013 - by The Economic Times
  - Wins Laadli jury award for portraying women positively.

- 2017
- Company listed on the stock exchanges (BSE & NSE)
- matrimonymandaps.com  
from BharatMatrimony
- Launched matrimonymandaps.com

- 2018
- 
- Dubai office launched
  - Actor Madhavan signed as a brand ambassador for EliteMatrimony
  - Cricketer MS Dhoni signed as brand ambassador of BharatMatrimony

- 2020
- 
- Matrimony acquired 26.1% stake in ClickAstro.com promoter Astro-Vision Futuretech
  - Matrimony.com featured in the ET India Growth Champions List



- 2002
- Launched the largest matrimony meet in the world 'Mega Swayamvaram'

- 2003
- 
- BharatMatrimony hosts the first ever Matrimony Meet for the physically challenged
  - BharatMatrimony launched Matrimony on Mobile and Mobile Alerts

- 2005
- BharatMatrimony bags 2 awards at the Chennai Ad Club Award.
  - Murugavel Janakiraman becomes one of the youngest businessmen to be a SIGARAM-15 Business Icon

- 2008
- Received second round of funding of USD 11.75 Mn from various PE Investors
- 
- Launched "Elite Matrimony", an exclusive matchmaking services for premium customers

- 2009
- 
- CommunityMatrimony.com  
Over 300 Exclusive Community Sites
- Launched "CommunityMatrimony"

- 2012
- BharatMatrimony sets Guinness World Record for the Largest Wedding Photo Album

- 2013
- CEO Nominated to Top Entrepreneur of the Year 2013 List

- 2015
- 
- Professional wedding photography service launched – Matrimonyphotography.com

- 2016
- matrimonybazaar  
from BharatMatrimony
- Launched matrimonybazaar.com

- 2019
- BharatMatrimony wins 'Superbrand 2019' – Superbrands India
- 
- BharatMatrimony's "Find Your Equal" Campaign Wins Award for recognising women's right to equality in a relationship





# Chairman’s Message



“Over the last 20 years, we have been able to add tremendous value in the mission of creating happy marriages, happy families and in turn, building a better Bharat. And in doing all of this, we have gained a leadership position in online matchmaking services in India”

## Dear Shareholders,

This year marks a significant milestone in building a memorable company – 20 years of dedication to a cause. In the circle of life, finding a life partner is one of the most important decisions. We are delighted that we have been able to add tremendous value in this mission, the mission to create happy marriages, happy families and in turn, building a better Bharat. And in doing all of this, we have gained a leadership position in online matchmaking services in India. We have pioneered many business models including Assisted Service, Community Matrimony and Elite Matrimony to cater to cultural nuances and to take utmost care of member preferences. We have also balanced the online and offline model through our network of 140+ retail stores across India. We also forward integrated into marriage services in the form of MatrimonyBazaar and Mandap.com in our journey to become a one-stop platform for our customers.

As I write this note, the world continues to be under the siege of an unprecedented crisis of COVID-19. These are testing times for all of us as the extent and duration of impact is still unclear. These are also times to think of adapting to the new normal and continuously look at opportunities to be better and resilient. We have the backing of a strong leadership and extended team who are working together to make sure our people, customers and all other stakeholders can deal with the situation effectively. Our robust business continuity efforts have helped us to focus on employee well-being as well as achieve the desired results while working from home. We are also focusing on various initiatives to drive efficiency and superior customer experience to emerge stronger. Our Strong balance sheet will help us navigate these troubled times. When the situation improves and with the right interventions, we are confident of demonstrating higher profitability.

Our relevance has gained further traction, demonstrated by about 96,000 success stories created during the year, active profiles of 4.6 million (an increase of 23.6% YoY) an addition of 5.28 million free registrations during the year. The above would not have been possible without our marketing campaigns and focus on product and technology. We continue to have an innovation mindset to center our efforts towards the needs of the customer. Be it, modernization of data center, Automation powered by AI and ML or deployment of big data platform, we have always been at the forefront of technology with a special emphasis on women safety. Our marketing campaigns are progressive and include social themes.

To comment on our financial performance, we were well on our way to achieve a strong Rs. 100 Cr. of billing in Q4 of FY20 for matchmaking and demonstrate a double-digit growth QoQ and YoY. This would have also held us in good stead for a good growth rate in FY21. However, due to the crisis, we fell short of this number. Due to many interventions, we have improved our billings from the March 2020 levels and reduced the impact.

For the full year, our matchmaking revenues grew by 7.3% to Rs. 360 Cr. On a consolidated basis, we grew by 6.7% to Rs. 372 Cr. Marketing expenses in FY20 was Rs. 108 Cr., an increase of 33.3%. Competition intensity continues to be high in the segments we operate and therefore these are required investments to fuel future growth and enhance brand visibility. Excluding marketing expenses, our EBITDA margins have remained stable.

With regards to the marriage services segment, the business impact is going to be significant due to the current crisis. In this period, we continue to strengthen the eco-system through improvement in product, systems, and processes. Our endeavor is to create a meaningful impact by enhancing vendor and customer experience.

The last 20 years has been a wonderful journey. On this occasion, I thank our dedicated and talented team for their infinite support towards the growth of the organization. I thank our shareholders, customers and partners for the trust and support throughout our journey. I thank our experienced Board for consistent guidance and motivation. I hope and pray that together we will emerge out of the crisis stronger and look forward to creating many more milestones together.

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 TamilMatrimony. 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 was among the top 5 women leaders in the Indian technology industry for many years.



**C K 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 independent Non-Executive Director on several Boards such as EID Parry, 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. Was also associated with Mindtree Ltd as Sr. Vice President.





**MILIND 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.





# FY19-20 at a Glance


- 


The company created 96,000 successful matchmaking stories in FY20
- 


Conferred with prestigious Superbrand 2019 award
- 


Launched a six point trust badge feature as an initiative to create trust and safety for the members
- 

Acquired 26.1% stake in Astro-Vision, which has been a pioneer in promoting Vedic based astrology solutions by providing astrology content and astrology software in more than 10 Indian languages and has generated more than 110 million horoscopes till date
- 

The company demonstrated a matchmaking revenue growth of 7.3% YoY
- 

Free subscriptions showed a growth by 30% YoY
- 

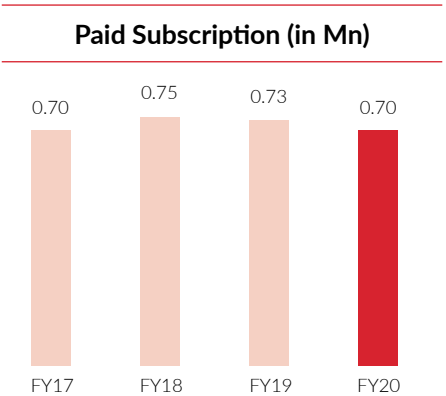
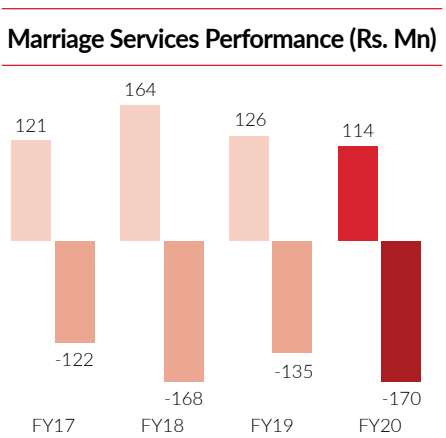
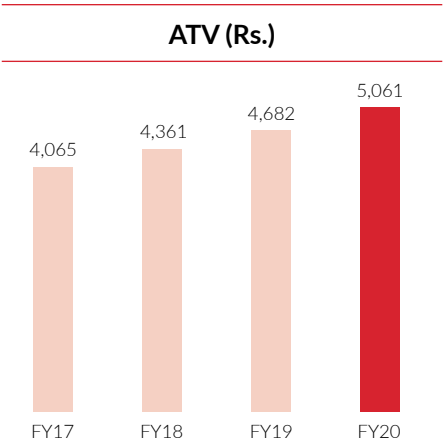
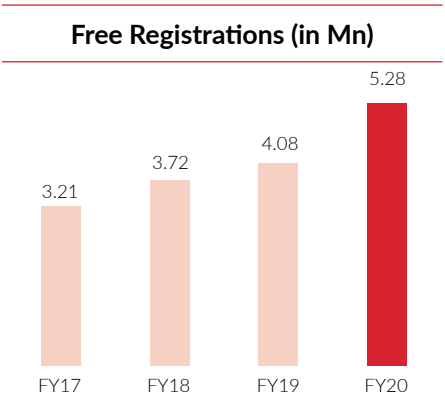
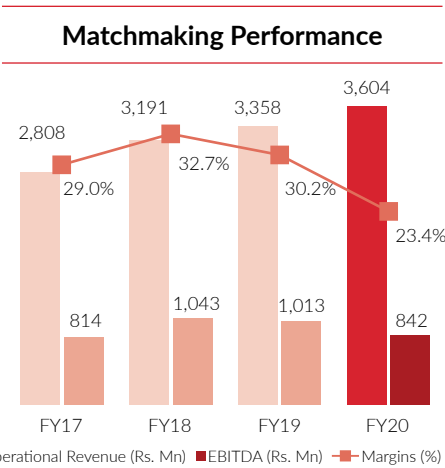
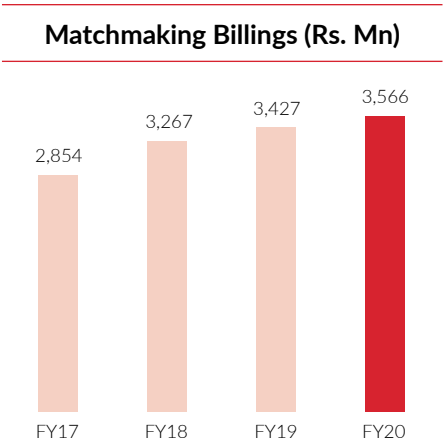
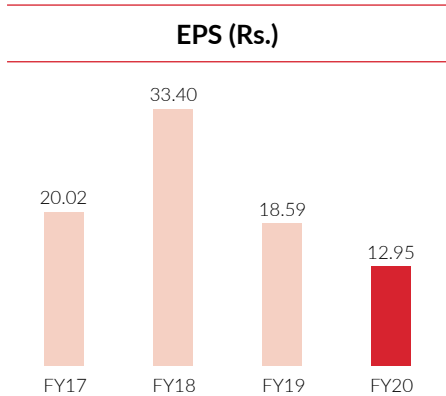
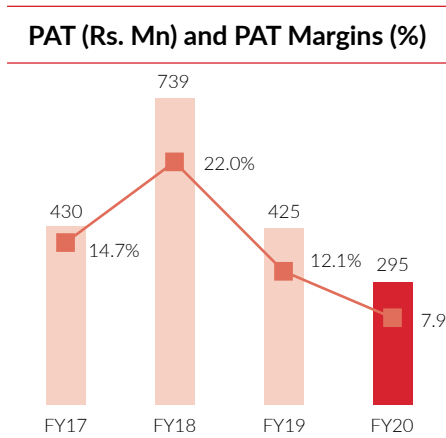
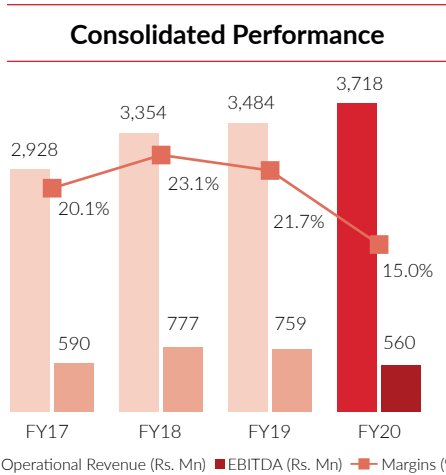
Increase in ATV by 8% YoY
- 

The active profiles for the year increased by 24%
- 

Marriage services ecosystem of 22,000+ service providers in MatrimonyBazaar and 7,000 venues in Mandap.

# Key Financial Metrics

(Consolidated)



Note: FY19 and FY20 are as per Ind-AS and FY17 and FY18 are as per Indian GAAP

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# Leading the Digital Transformation in Matchmaking

Starting from a humble beginning of one simple matchmaking website, to creating hundreds of micro market matchmaking online platforms to suit a person's choice and preferences, Matrimony.com has constantly evolved through the use of technology.

In 2003, it was the first company in the matrimonial space to launch matrimonial services with a mobile phone, providing mobile alerts. It then went to develop a WAP (Wireless Application Protocol) site in 2010 and mobile apps came in 2012 across all platforms. The company has always adhered to adding value to their customers and has pioneered initiatives like launching India's first blog on relationships, conducting the first ever online matrimony meet, launching an image based search to find a life partner who resembles one's favorite person, the world's first matrimony channel on the Internet, enabling matrimony services on smart televisions, having 100% verified phone numbers, native mobile applications and lite apps amongst many other initiatives.

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, Matrimony.com has constantly been on the forefront when it comes to Technological advancements

and transformations. Data analytics play a crucial role in online matchmaking. The company has set up an enterprise wide data lake with the goal to serve each customer in the best possible manner at every touch point.

**Matrimony.com's Intelligent Matchmaking Algorithm or MIMA, which is a home-grown machine learning algorithm, computes results in real-time using big data technologies and data sciences, won the prestigious NASSCOM award for Top 50 'Excellence in Analytics' for its amazing personalized matchmaking recommendation engine.**

It helps in segmentation and profiling of members to understand preferences and affinity to different services offered, thereby increasing our ability to service the customer better.

The company also implemented a comprehensive fraud management

process across products in identifying profile and payment frauds. In 2019, BharatMatrimony launched the "SecureConnect" feature as part of its customer privacy initiative – this enabled the customers to talk to each other without revealing their phone numbers. Also, the company launched a unique 6-point safety feature called "Trust Badges" to create industry-leading trust and safety features for members. Access to customer data is strictly guarded, even within the organization.

Product development is centered on the needs of the customer. The aim is to address the stated and unstated needs of the user that help them find their life partner. Product and marketing teams at BharatMatrimony regularly organize focus group discussions, customer interviews and product testing with live users to evaluate the needs and identify gaps in the current product. These findings are then validated at scale by the Data Science team using combination of big data and ML techniques; on whose basis solutions are designed and tested with live customers. The Product team's endeavor is to constantly enhance the customer experience using the latest technologies.

# Creating a Trustworthy and Memorable Matchmaking Brand

Having a trusted brand as a partner is crucial for any company, especially where marriages are concerned. The company understands the cultural nuances of matchmaking very well and therefore takes the utmost care to understand the member's preferences and help them find a life partner that matches them.

The company has been promoting its services over the years through a mix of television, print and digital mediums across key platforms like Youtube, Facebook and Instagram, besides radio in key markets. It also organises niche matchmaking events on the ground. The company also regularly partners with movies across languages including Hindi, Bengali, Marathi, Telugu and Tamil. In early 2019, it also partnered with NDTV to do a two-episode branded content programme - Find Your Equal. It spoke about the changing aspirations of people looking for their life partner and how partners support each other.

Known for its gender sensitive and progressive advertising, the company's latest television advertisement stars the iconic cricketer MS Dhoni, who is its brand ambassador. The company's television advertisement campaigns have won praise and accolades over the years. It launched 'Happy couple of the day' which showed a series of member stories on national television channels to capture the essence of 'Happy Marriages'. It also launched an advertisement campaign for their community portals on different television channels.

From initiatives like conducting two Mega Swayamvaram, which were the largest matrimony meets in the world, to launching the first of its kind relationship and matrimony magazine named DesiMatch, and also hosting a matrimony meet for physically challenged individuals, the company has worked hard over the years across various marketing mediums to build a winning and trusted brand amongst the Indian community. To create a global presence, the company sponsored the Miss India – USA Pageant as well. The company

also launched BharatMatrimony.tv which was the world's first matrimony channel on the internet. It also tied up with companies like Yahoo, Nokia, Idea Cellular to launch customized matrimony services and add plug ins for their users.

The marketing team dedicatedly track the campaign's effectiveness through innovative in-house technology, data analytics and new services in the hybrid cloud. The company employs a customer service team of 1500+ executives to service the consumers and convert them from free subscription into paid.



# The Matrimony Family

“  
To win  
the marketplace,  
you must first win  
the workplace

## Some memorable moments of the Matrimony family



I owe my professional and personal growth to Matrimony.com

- Mrs. Jayashree

I owe my professional and personal growth to Matrimony.com The organisation gave me a tremendous opportunity to showcase my talent. I grew along with the company. They always converted the challenges into opportunities. I feel the few reasons behind matrimony's success are 'Focused CEO, Strong and approachable leadership team, Start-up culture, Honesty and willingness to take up challenges, Friendly working environment'.



It has been a wonderful journey with Matrimony.com

- Mr. Karthikeyan

It has been a wonderful journey with Matrimony.com. I started my journey in 2004 as a Web developer and now am heading the mobile application development at Matrimony.com as a Deputy General Manager - BM Technical. Matrimony.com is the place where people can showcase their talent and grow their career. It has been almost 15 years at Matrimony.com and I have worked on various Products and Projects. One thing I love here is the opportunity to learn and explore new things on the technology front and the openness has been a very unique culture.






Every day at Matrimony.com is a memorable day for me

- Mr. Akilan

I started my career as a customer support executive in the year 2004 and was promoted consistently. Today I am handling the 3 units with 156 team members. Every day at Matrimony.com is a memorable day for me

FY20 saw a new high for employee engagement. Employee engagement is proven to benefit any organisation in building a healthy work culture, improved efficiency & productivity, better work relationships, leading to higher employee retention & most importantly happier employees. To encourage common interest groups at Matrimony, engagement clubs were launched primarily for employees to interact and make work more fun. The direct involvement of the associates in the planning and decision-making of club activities help get higher participation and ownership leading to better execution of the club activities. It also helps build a stronger employer brand and create a sense of giving back to society.

## The company created 3 clubs

CSR club	Wellness club	Social club
 <p>Engagement Club - Kerala</p>		
 <p>Giving back to the Society CSR Initiative - Delhi</p>	 <p>Eye Check-up - Chennai</p>	
		<p>During the year, more than 150 activities were organized through these clubs.</p>





# Notice of the Nineteenth Annual General Meeting

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of Matrimony.com Limited will be held on **Thursday, the 6<sup>th</sup> August, 2020 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020, a Dividend at the rate of Rs. 3.50 (Rupees Three and Paise Fifty only) per share which includes a special dividend of Rs. 2.00 (Rupees Two Only) per share on the equity share capital of the Company, as recommended by the Board of Directors, be and the same is hereby declared for the financial year 2019-20 and that the said dividend be paid to the Members whose names appear on the Register of Members as on 31<sup>st</sup> July, 2020 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, Smt. Deepa Murugavel J (holding DIN 00725522) who retires by rotation, be and is hereby re-appointed as a Director of the Company.

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

Place: Chennai  
Date: May 20, 2020

S Vijayanand  
Company Secretary



# Annexure to the Notice

## Details of the Director seeking appointment and re-appointment at the 19<sup>th</sup> 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 Smt. Deepa Murugavel, in brief and other details required to be provided pursuant to Regulation 36 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting are provided below for the consideration of the Members:

### Smt. Deepa Murugavel

Deepa Murugavel, aged 42 years, is a non-executive Director of our Company. She holds a bachelor's degree of science in biochemistry (special) from Gujarat University and a master's degree in business administration from California Coast University. She has also completed a course on training as a laboratory technician from the K.M. School of Post Graduate Medicine and Research, Ahmedabad. She has been associated with our Company since March 26, 2006.

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

There were 7 Board meetings conducted during the year and Smt. Deepa Murugavel has attended 4 Board meetings.

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

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

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

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

Place: Chennai  
Date: May 20, 2020

S Vijayanand  
Company Secretary



**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. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, companies are permitted to hold their AGM through VC/OVAM for the calendar year 2020.
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 Friday, July 31, 2020 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2020, 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 Friday, July 31, 2020.
  - 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 Friday, July 31, 2020.
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: - 7.5% or as notified by the Government of India.

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

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 a 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](mailto:tax@matrimony.com) on or before 05:00 PM (IST) on 31<sup>st</sup> July 2020.

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. Non-resident shareholders 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](mailto:tax@matrimony.com) on or before 05:00 PM (IST) on 31<sup>st</sup> July 2020.

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 five years from the conclusion of that AGM till the conclusion of the twenty-third AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Nineteenth AGM.
12. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 19<sup>th</sup> 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 AMC 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. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.matrimony.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://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.karvy.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 31<sup>st</sup> July 2020 through an E-mail to [compliance@matrimony.com](mailto: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](mailto: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 e-mail addresses of the shareholders. Therefore, those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses registered by following the procedure given below:
22. Those shareholders who have registered/not registered their e-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 e-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/email\\_registration/](https://ris.kfintech.com/email_registration/) 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](mailto:einward.ris@kfintech.com).
24. Shareholders may also requested to visit the website of the company [www.matrimony.com](http://www.matrimony.com) or the website of the Registrar and Transfer Agent [www.kfintech.com](http://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 e-mail id [einward.ris@kfintech.com](mailto: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.karvy.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. Members are requested to participate in the AGM on a first-come-first served basis, as participation through VC is restricted upto 1000 members only. However, members holding 2% or more shareholding (Large Shareholders), Promoters, Institutional investors, Directors, Key Managerial Personnel (KMP), Chairpersons of the Audit, Nomination & Remuneration and Stakeholder's Relationship Committee, Auditors, etc. are allowed to attend the AGM without restriction on account of first-come-first served principle.
31. Members who would like to express their views or ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions", queries/views/questions in the window provided by mentioning the name, demat account number/folio number, E-mail id, mobile number. Please note that, the queries/views/questions of those members will be answered who continue to hold the shares as on cut-off date. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the aforesaid window facilities during the meeting.
32. In addition to above, speaker registration may also be allowed during the remote e-voting period. Members who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during this period. The speaker registration shall commence on 03rd August 2020 at 9.00 AM (IST) and closes on 05th August 2020 at 5.00 PM (IST). Members are requested to remember the same and wait for their turn to be called by the Chairman/ Company Secretary of the meeting during the Q&A Session. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence members are encouraged to send their queries/views/questions in advance as provided in note no 19.
33. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members after 15 minutes of start of AGM on first come first served basis.
34. Since the AGM will be held through VC/OAVM, the route map is not annexed in this Notice.

### Instructions For Electronic Voting [E-Voting]

1. In compliance with the provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. July 31, 2020 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM.
2. Kfintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10.00 A.M. (IST) on Monday, August 03, 2020 to 5.00 P.M. (IST) on Wednesday, August 05, 2020. At the end of Remote e-voting period, the facility shall forthwith be blocked. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.



3. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
4. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
5. The procedure and instructions for e-voting are as follows:
  - a) Open your web browser during the remote e-voting period and navigate to "<https://evoting.karvy.com>".
  - b) Enter the login credentials (i.e., user-id and password) mentioned in the communication. Your Folio No. / DP ID No. / Client ID No. will be your User- ID.  
User – ID : For Members holding shares in Demat form  
For NSDL : 8 Character DP ID followed by 8 Digits Client ID  
For CDSL : 16 digits beneficiary ID  
User – ID : For Members holding shares in Physical Form:-  
Event Number followed by Folio No. registered with the Company  
Password : Your unique password is sent via e-mail forwarded through the electronic notice  
Captcha : Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons
  - c) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut- off date i.e. 31<sup>st</sup> July 2020 may obtain the User id and password in the manner as mentioned below:  
If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399  
Example for NSDL : MYEPWD <SPACE> IN12345612345678  
Example for CDSL : MYEPWD <SPACE> 1402345612345678  
Example for Physical : MYEPWD <SPACE> XXXX1234567
  - d) If e-mail id or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - e) Members may call Kfintech toll free number 1-800-3454-001.
  - f) Members may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). However, Kfintech shall endeavor to send User ID and Password to those new Members whose mail ids are available.  
  
If the member is already registered with Company's Registrar for remote e-voting, he can use his existing User ID and password for casting the vote without any need for obtaining any new User ID and password.
  - g) After entering these details appropriately, click on "LOGIN".
  - h) Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). Kindly note that this password can be used by the Demat holders for votings in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Kfintech e-Voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve



your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- i) You need to login again with the new credentials.
  - j) On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.
  - k) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and have cast your vote earlier for any company, then your existing login ID and password are to be used.
  - l) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.
  - m) After selecting the Resolution, once you have decided to vote on, click on "SUBMIT", then a confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - n) Once you 'CONFIRM' your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.
6. Corporate Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board or governing body Resolution / Authorisation together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to 'evoting@karvy.com'. The file / scanned image of the Board Resolution / authority letter should be in the format viz. 'Corporate Name Event no.'.
  7. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date being Friday, July 31, 2020.
  8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.
  9. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://evoting.karvy.com/> to reset the password.
  10. Shri. V. Suresh, Company Secretary will be act as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
  11. The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.matrimony.com](http://www.matrimony.com) and also on the website of Kfintech at <https://evoting.karvy.com/>.
  12. In case of any query pertaining to e-voting, please visit Help and FAQs section available at Kfintech's website <https://evoting.karvy.com> or contact toll free no. 1800 4250 999.



# Board's Report

## Dear Shareholders,

The Board of Directors of your Company take pleasure in presenting the Nineteenth 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, 2020.

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 20	FY 19 Restated	FY 20	FY 19 Restated
1. Net Revenue	37,183.53	34,842.75	36,711.69	33,977.19
2. Other Income	152.98	165.36	337.95	175.28
3. Total income (1+2)	37,336.51	35,008.11	37,049.64	34,152.47
Expenditure:				
a) Employee Benefit Expenses	15,346.38	14,148.06	15,213.51	14,093.58
b) Marketing Expenses	10,802.74	8,103.83	10,821.92	8,122.39
c) Infra /Communication/ Admin Expenses	5,585.10	5,163.03	5,507.90	5,142.59
4. Total expenditure	31,734.22	27,414.92	31,543.33	27,358.56
5. EBITDA(3-4)	5,602.29	7,593.19	5,506.31	6,793.91
6. Depreciation/Amortization	2,796.36	2,651.01	2,792.47	2,648.39
7. Finance Cost	524.95	485.87	523.55	484.32
8. Finance Income	1,632.95	1,393.32	1,634.05	1,395.45
9. Profit before tax and share of profit / (loss) from associate (5-6-7+8)	3,913.93	5,849.63	3,824.34	5,056.65
10. Share of loss from associate	6.28	-	NA	NA
11. Net Profit before tax (9-10)	3,907.65	5,849.63	3,824.34	5,056.65
12. Tax Expense	954.17	1,604.57	956.58	1,533.33
13. Net Profit after tax (11-12)	2,953.48	4,245.06	2,867.76	3,523.32
14. Other Comprehensive Income -Net of Tax	-86.89	-41.22	-104.18	-26.91
15. Total Comprehensive Income (13+14)	2,866.59	4,203.84	2,763.58	3,496.41
16. Retained Earnings ( Opening Balance)	6,393.37	2,620.36	6,272.98	3,221.71
17. Transfer to General Reserve	2,481.85	3,773.01	2,396.26	3,051.27
18. Retained earnings ( Closing Balance)	8,875.22	6,393.37	8,669.24	6,272.98
19. EPS Basic	12.99	18.68	12.61	15.50
20. EPS Diluted	12.95	18.59	12.57	15.43

## BUSINESS REVIEW

Your Company achieved consolidated revenue of Rs. 37,183.53 Lakhs during the year under review as against Rs. 34,842.75 Lakhs during the previous financial year, a growth of 6.72% year on year. The operating expenses stood at Rs. 31,734.22 lakhs during the year as against Rs. 27,414.92 Lakhs of the previous year, representing an increase of 15.76%. The Earnings



before Interest, Tax and Depreciation (EBITDA) for the year was at Rs.5,602.29 Lakhs as against Rs. 7,593.19 Lakhs for the previous year, a decline of 26.22%. The Profit before tax for the year was at Rs. 3,907.65 Lakhs as against Rs. 5,849.63 Lakhs of the previous year, representing a decline of 33.20%. The Company's consolidated Net Profit (PAT) for the year was at Rs. 2,953.48 Lakhs as against Rs. 4,245.06 Lakhs of the previous year, a decline of 30.43%, against the previous year. The decline is attributed to increase in marketing expenses by 33.30% in order to fuel future growth.

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

### Matchmaking

Profile registration in Matchmaking segment recorded a growth of 29.5% year on year. The Company has added 52.8 lakhs free profiles and 7.04 lakhs paid subscriptions. The revenue on a consolidated basis, for the current year was at Rs. 36,044.35 Lakhs as against Rs. 33,577.77 Lakhs for the previous year, resulting in a growth of 7.35%. The matchmaking EBITDA for the year declined by 16.9% to reach Rs. 8,421.52 Lakhs as against Rs. 10,129.28 Lakhs of the previous year, mainly on account of increase in marketing expenses.

### Marriage Services

The Marriage Services Revenue for the year was at Rs. 1,139.18 Lakhs as against Rs. 1,264.98 Lakhs of the previous year, resulting in a decline of 9.94%. The cash burn for the year was at Rs. 1,699.37 Lakhs as compared to loss of Rs. 1,354.07 Lakhs of the previous year. This segment is in very nascent stage and is expected to incur cash loss till a material size is attained.

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### LIQUIDITY

As on March 31, 2020, on a consolidated basis, we had liquid assets (includes cash and cash equivalents and investments) of Rs. 23,503.03 Lakhs, as against Rs. 20,435.55 Lakhs at the previous year end. Your Company is also debt free as on 31<sup>st</sup> March 2020. The details of these investments are disclosed under the 'non-current and current investments' section in the standalone and consolidated financial statements in this Annual Report.

### FUTURE OUTLOOK

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

However, the company started seeing an impact on revenues due to lower billing in the last 2 weeks of March 2020 in the matchmaking business due to lock down announced by the Government to prevent the spread of Covid 19 pandemic. The marriage services business is expected to have a higher impact due to lower consumer demand and actual weddings that will take place in the future. Since the duration of magnitude of COVID-19 is still uncertain, this will impact the company's original growth plans for FY21. The company will continue to assess and monitor the situation and update accordingly. However due to strong business continuity plans and technology at the forefront, the company has been able to ensure employee well-being, demonstrate a successful "Work From Home" mechanism and ensure business continuity for our customers. The company is taking measures to minimize this impact. 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. In line with the policy, the Board has recommended a final dividend of Rs. 3.5 per equity share which includes a special dividend of Rs. 2 per equity share on the occasion of Company's 20<sup>th</sup> Anniversary, in its meeting held on May 20, 2020 subject to approval by the shareholders at the ensuing annual general Meeting. The total dividend pay-out for the current year is Rs.796.82 Lakhs.

**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	1,87,978
2.	Number of options granted during the year	80,600
3.	Number of options forfeited / lapsed during the year	23,200
4.	Number of options vested during the year	13,200
5.	Number of options exercised during the year	36,817
6.	Number of shares arising as a result of exercise of options	36,817
7.	Exercise price of options granted during the year	1. Rs. 600.45 2. Rs. 443.60 3. Rs. 299.45
8.	Variation of terms of options	NIL
9.	Money realized by exercise of options (Rs.), if scheme is implemented directly by the company	39,77,401
10.	Number of options outstanding at the end of the year	2,08,561





## ii) Employee wise details of options granted to

Key Managerial Personnel	Shri. Sushanth S. Pai – 4,000 Options
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Shri. Prasad Nelliparthi – 6,000 options
	Smt. Meenakshi V S – 5,000 options
	Shri. Ajay Kumar – 5,000 Options
	Shri. M Swetaranyam – 5,000 Options
	Shri. Vinodha Priyan – 4,800 options
	Shri. Indramani Das – 4,500 options
	Shri. Bharat Ram Balakrishnan – 4,100 options
	Shri. V Suresh – 12,000 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-2020.pdf>

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

### BOARD OF DIRECTORS

During the year 2019-20, the term of Shri. Milind Shripad Sarwate, Shri. George Zacharias and Shri. Chinni Krishnan Ranganathan were expiring and the Company re-appointed them for another period of 5 years with effect from 27<sup>th</sup> January 2020 vide special resolution passed by the Shareholders through postal ballot on December 20, 2019. In the opinion of the Board the independent Directors appointed by the Company possess adequate experience, expertise with integrity and standing.

Smt. Deepa Murugavel , Director retires at this Annual General Meeting and being eligible offers herself 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 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

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 three months from the date of commencement apply to Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she 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. Since the Ministry of Corporate Affairs, vide Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2020, has now extended the period of five months to seven months for registering with Indian Institute of Corporate Affairs, the declaration could not be obtained.

Further, the time available for passing online proficiency self-assessment test is one year from the date of inclusion of the name of the Directors in the data bank, the Board of Directors is not in position to provide an opinion with regard to the proficiency of the Independent Directors as ascertained from the online proficiency self-assessment test conducted by the institute which is required under Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014.

The detailed terms of appointment of Independent Directors 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 7 Board meetings during the financial year under review and a separate meeting of the Independent Directors on 24/03/2020.

### BOARD EVALUATION

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

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE

During the year, the Company has made a strategic investment of Rs. 5.95 crores in Astro-Vision Futuretech Private Limited. 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, Dubai	50	10,17,000
Astro-Vision Futuretech Private Limited	3,314	5,95,06,551

### 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 through business operations of the Company is not energy intensive. Some of the measures undertaken are listed below:

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



**ii) Technology Absorption**

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

**iii) Foreign Exchange earnings and outgo**

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

**a) Earnings in Foreign Currency (in Rs. Lakhs)**

Sl. No.	Particulars	2019-20	2018-19
1.	Income from services	4,339.10	4,048.81
2.	Database access fees	101.82	43.39
3.	Business License fees	50.91	7.96
	<b>Total</b>	<b>4,551.83</b>	<b>4,100.16</b>

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

Sl. No.	Particulars	2019-20	2018-19
1.	Advertisement Expenses	265.30	153.60
2.	Web hosting charges	58.35	25.39
3.	Other Expenses	285.39	88.12
	<b>Total</b>	<b>609.04</b>	<b>267.11</b>

**PARTICULARS OF EMPLOYEES & REMUNERATION**

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

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

The Managing Director has not received any remuneration or commission from its subsidiary. Kindly refer page no. 59 under Corporate Governance report, for the salient features of the remuneration policy and the web address where it is placed.

**SECRETARIAL AUDIT**

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

**SECRETARIAL STANDARDS**

The Company complies with all applicable secretarial standards

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

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate 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 P Ltd, Consim Info USA Inc and Matrimony DMCC, Dubai. During the year the Company has acquired 26.09% stake in Astro Vision Futuretech Pvt Ltd, due to which it became an Associate Company.

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

## HUMAN RESOURCES MANAGEMENT

Your Company having a pan India presence employs around 4316 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 27 years.

The year of FY19-20 has been transformational as well as challenging in many ways for HR as a function. Attracting best talent, developing capabilities, fostering an innovative and growth culture and keeping associates engaged has been the focus areas for the Organization & HR function.

With this objective in mind, we have initiated many positive changes in our HR practices in FY19-20.

**Talent Acquisition:** We have strengthened our talent acquisition through focussed leadership hiring for strategic positions across business verticals and also had campus recruitment drive to build our talent pool for the future. We have also taken several initiatives to strengthen our recruitment process to improve the quality of hires and retention of our associates.

**Capability Building:** Learning is one of our core values. To reinforce this value and make learning as a culture at matrimony.com, we initiated many activities right from an organisation wide Training Need Identification (TNI) to creating organisation wide learning journey to in-house designing and delivery of customised content. In addition, we placed extra efforts to strengthen second line of leadership through our Flagship programs like LEAP and Aspire to Inspire. We have also invested in an online learning platform to promote 'On the Go' learning through inspirational videos, book summaries, knowledge bytes as well micro learning. Also with the focus on building technical capabilities of our associates, we also tied up with reputed vendor to provide on-line technical training to our associates.

**Engagement Initiatives:** Engaged workforce helps in retention of employees and create an high performance organization. Also engagement is more powerful and impactful when associates own the engagement process rather than being driven centrally by HR. This simple mantra led to the launch of our engagement clubs (CSR, Social and Wellness) is definitely a trendsetter in this aspect. The engagement initiatives have created a positive work culture and this is visibly seen by the participation of employees in the various engagement initiatives.

**Corporate Governance:** Our Corporate Governance policies are a reflection of our values and Code of Conduct. It has been our constant endeavour to communicate and reinforce our policies through various mediums including posters, mailers, TV, desk cards as well as through mandatory learning modules on the LMS platform. We are also demonstrating in our actions that as an Organization we will not tolerate and accept any non-adherence to the governance processes.

**Communication & Connect:** Constant communication is the essence of building trust and loyalty amongst employees. It helps bridge gaps if any, builds better brand connect and improves employee morale. Employee connect has been one of our topmost priorities and we implemented various platforms and forums like Leadership Bridge, WeConnect to build a continuous flow of information.



**HR Processes:** When it comes to processes and policies, the only thing that is constant is change. We have been continuously reviewing and benchmarking our policies with other Companies and upgrading them to align our HR policies and practices to be competitive and employee friendly.

**Work Infrastructure:** We believe in providing the right working environment / infrastructure to our associates. During the year, we have taken conscious efforts to move to better infrastructure / office in many of our regions and the new offices reflect the work environment preferred by the new generation.

### RELATED PARTY TRANSACTIONS

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

In line with its stated policy, all Related Party transactions are placed before the Audit Committee for review and approval. The related party transactions of the Company that are disclosed in the financial statements are transactions which are entered into with the wholly owned subsidiaries pursuant to an agreement with them for a minimum period of three years. The Company has not entered into any related party transactions other than with the wholly owned subsidiaries. However, during the year the Company has acquired 26.09% stake in Astro Vision Futuretech Pvt Ltd, due to which it became an Associate Company and also a related party. There was an existing agreement with the above Company prior to becoming related party. The agreement was subsequently ratified by the Audit Committee and the Board of Directors. 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 G**.

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

### SOCIAL COMMITMENT

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

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

The CSR committee was constituted for implementation of CSR activities and the Composition of the Committee as on 31<sup>st</sup> March 2020 is given below

Sl. No.	Name of the Director	Position
1.	Shri. Murugavel J – Managing Director	Chairman
2.	Shri. Milind Shripad Sarwate -Independent Director	Member
3.	Smt. Deepa Murugavel- Non Executive Director	Member

Average net profit of the company for last three financial years is Rs. 4,674.53 lakhs

Prescribed CSR Expenditure (two per cent. of the amount as above): Rs. 93.49 lakhs

Details of CSR spent during the financial year:

Total amount spent for the financial year 2019-20: 42.83 lakhs

Amount unspent, if any: Rs. 50.66 lakhs

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1.	School Sanitation and Tree planting projects	Environmental protection	Chennai, Tamilnadu	2,30,000	2,30,000	2,30,000	Amount spent through implementing agency – Exnora International – Non Governmental Organisation
2.	Telemarketing, Retail Sales & Customer relationship training for 125 direct beneficiaries.	Promoting Employment Enhancing Vocation Skills Especially among Youth and Women for Livelihood Enhancement Projects	Chennai, Tamilnadu	15,61,021	15,61,021	15,61,021	Amount spent through implementing agency – Aide Et Action India – Voluntary Non Profit Organisation





(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
3.	Telemarketing, Retail Sales & Customer relationship training for 160 direct beneficiaries	Promoting Employment Enhancing Vocation Skills Especially among Youth and Women for Livelihood Enhancement Projects	Chennai, Tamilnadu	21,41,944	21,41,944	21,41,944	Amount spent through implementing agency – Hand in Hand – Public Charitable Trust
4.	Promoting education to Children	Promoting education to Children	Chennai, Tamilnadu	1,50,000	1,50,000	1,50,000	Amount spent through implementing agency – Thuligal – Voluntary Charitable Trust
5.	Promoting health care project – Setting up vision centers to promote Prevention of Avoidable Blindness	Promoting health care	Chennai, Tamilnadu	1,50,000	1,50,000	1,50,000	Amount spent through implementing agency – Rotary Club of Chennai, Thiruvannamiyur – Public Charitable Trust
6.	Promoting training for wheel chair tennis – Differently abled	Training to promote nationally recognized sports	Bengaluru, Karnataka	50,000	50,000	50,000	Amount spent through implementing agency – IWTT A division of Astha – Public Charitable Trust
<b>Total</b>				<b>42,82,965</b>	<b>42,82,965</b>	<b>42,82,965</b>	

Corporate Overview

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**Carry forward CSR spend for the financial year 2018-19.**

The Company was required to spend an amount of Rs. 39.8 lakhs towards CSR obligation for the financial year 2018-19. Being the first year of applicability of the CSR provisions for spending, the Company required adequate time to make sure relevant and suitable projects are identified in order to create a long term impact. The Company could spend only Rs. 1.8 lakhs. The Board of Directors had decided to carry forward the amount unspent to be spent in the financial year 2019-20. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
1.	Aid in rejuvenation of cauvery river project	Environmental protection	Tamilnadu	15,00,000	15,00,000	15,00,000	Amount spent through implementing agency – Isha Outreach – Public Charitable Trust
2.	Promoting education to 116 girl children	Promoting education to children	Chennai, Tamilnadu	9,28,000	9,28,000	9,28,000	Amount spent through implementing agency – Sevalaya- Public Charitable Trust
3.	Promoting education of children, eradicating hunger and promoting health care	Promoting education of children, eradicating hunger and promoting health care	Nagapattinam, Tamilnadu	13,76,500	13,76,500	13,76,500	Amount spent through implementing agency – SOS Children's Villages of India- Public Charitable Trust
<b>Total</b>				<b>38,04,500</b>	<b>38,04,500</b>	<b>38,04,500</b>	

**Reasons for not spending full amount**

The Company was required to spend an amount of Rs. 93.49 lakhs for the financial year 2019-20 excluding the unspent amount of Rs. 38 lakhs which was carried forward from the financial year 2018-19. The Company has spent Rs. 38.05 lakhs of the carry forward unspent amount of the previous year during the current year. The Company could spend Rs. 42.83 lakhs out of the total amount of Rs. 93.49 lakhs required to be spent for the year as on 31<sup>st</sup> March 2020. The unspent amount as on 31<sup>st</sup> March 2020 stood at Rs. 50.66 lakhs. The company has identified projects for the spending the balance amount 50.66 lakhs before 31<sup>st</sup> March 2020. However, due to spread of covid 19 pandemic in the month of March 2020, the management has decided to rethink on their existing plan of CSR spend. The management felt that it is prudent to support the Central & State Government efforts towards fighting Covid 19 pandemic. Hence the management has decided to recommend contribution of the said unspent amount along with the amount to be spent for CSR initiative for the financial year 2020-21, to PM Care fund & Tamilnadu Chief Ministers Public Relief Fund towards disaster relief. Based on



the approval from the CSR committee, the Company contributed Rs. 50 lakhs each to "PM Care Fund" and "Tamilnadu Chief Ministers Public Relief Fund" in the month of April 2020 after the year end. The above spend includes the unspent amount of Rs. 50.66 lakhs for the financial year 2019-20.

The CSR committee hereby confirms that, the implementation and monitoring of CSR policy, in 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 30<sup>th</sup> September 2014. Their term got completed in the Eighteenth Annual General Meeting. M/s. S. R. Batliboi & Associates LLP, Chartered Accountants were reappointed 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 for 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. Milind Shripad Sarwate  
Shri. George Zacharias  
Smt. Akila Krishnakumar

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 2019-20, there were 10 complaints 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 annexed herewith as **ANNEXURE F** and forms part of the report. The same is also available as part of the Annual report in the website of the Company under the link [https://www.matrimony.com/investors/annual\\_report.php](https://www.matrimony.com/investors/annual_report.php)

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

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

### INTERNAL CONTROL SYSTEMS

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

#### Internal Financial Control Systems with reference to the Financial Statements

The Company has a formal system of internal financial control to ensure the reliability of financial and operational information and regulatory & statutory compliances. The Company's business processes are enabled by an Enterprise-wide Resource Platform (ERP) for monitoring and reporting processes resulting in financial discipline and accountability. 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 profit 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; and
- (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 Company's 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 20, 2020

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 for the financial year

Name of the Director	Designation	Ratio to median remuneration
Shri. Murugavel J	Chairman & Managing Director	96.5:1
Smt. Deepa Murugavel	Non Executive Woman Director	6.44:1
Shri. Milind Shripad Sarwate	Non Executive Independent Director	14.53:1
Shri. George Zacharias	Non Executive Independent Director	12.47:1
Shri. C K Ranganathan	Non Executive Independent Director	5.34:1
Smt. Akila Krishnakumar	Non Executive Woman Independent Director	10.28:1

- The median remuneration of employees of the Company was Rs.1,82,414
- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year

Name of the Director/KMP	Designation	% increase in remuneration
Shri. Murugavel J	Chairman & Managing Director	-
Shri. Sushanth S Pai	Chief Financial Officer	32%
Shri. Vijayanand S	Company Secretary & Compliance Officer	31%

- The above increase is calculated on the difference in the cost to the company for both the years.
  - The variable performance pay of chief financial officer for the previous year is calculated from December 10, 2018 to March 31, 2019.
  - The remuneration of company secretary includes perquisites on account of shares allotted through employee stock option scheme.
- The percentage increase in the median remuneration of employees in the financial year: 14.19%
  - The number of permanent employees on the rolls of Company: 4316
  - Average percentage increase already made in the salaries of employees other than the managerial Personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.  
Average increase in remuneration is 8% for employees other than managerial personnel and no increase 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 20, 2020

Murugavel J  
Chairman & Managing Director



## Annexure B

Sl. No	Name	Designation	Remuneration (in Rs. 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
<b>Earnings</b>										
1	J Murugavel	Managing Director	176.04	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	50.42	Yes, Spouse of Director Smt. Deepa Murugavel
2	Saichitra S	Chief Portal and Mobile Officer	130.08*	Permanent	Holds Bachelor's degree in Computer Science and Master's degree in computer application from Bharthidasan university. She has over 19 years of experience in the field of product development and technology	Since Incorporation	42 yrs	Nil	0.30	No
3	Prasad Nelliparthi	Chief Human Resources Officer	117.01	Permanent	Holds Bachelor's Degree in Commerce, Master's Degree in Social Work, has over 31 years of experience.	May 10, 2018	54 Yrs	Ex.Vice President HR - Tube Investments of India Ltd	-	No
4	Chandrasekar R	Chief Technology Operation and Infrastructure officer	84.06	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	51 yrs	Sify Technologies Limited	0.03	No
5	Karthikeyan J	Sr. Vice President - Matrimony Bazaar	83.77	Permanent	Holds Bachelor's degree in Commerce & Executive MBA from Loyola Institute of Business Administration and has over 20 years of experience	August 6, 2018	48 yrs	Suleka.com New Media Pvt Ltd	-	No

Sl. No	Name	Designation	Remuneration (in Rs. 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
<b>Earnings</b>										
6	Sushanth S Pai	Chief Financial Officer	82.90	Permanent	Holds Bachelor's degree in commerce from University of Mumbai & Chartered Accountancy from ICAI. Has over 25 years of experience in Finance, Audit, Risk Management and Investor relations	December 10, 2018	44 yrs	Mintree Limited – Associate Vice President	-	No
7	K P Jaikumar	Sr. Vice President – Photography	64.56	Permanent	Holds Bachelors Degree in Mathematics & MDP (IIM, Bangalore). Has total experience of 28 Years	October 3, 2018	49 yrs	Vice President & Senior Zonal Head, Reliance Nippon Life Insurance Co Ltd	-	No
8.	Kiran Vijayakumar	Vice President – Technology	61.25	Permanent	Holds Bachelor's degree of Technology (Computer Science & Engineering) from college of engineering, Thiruvananthapuram. Has over 20 years of experience.	July 15, 2015	44 yrs	UST Global – Director, Cloud Practice	0.01	No
9.	Srinath Duggirala	Vice President – Products	57.40	Permanent	Holds Bachelor's degree in Technology from IIT Kharagpur & PGDM from IIM Ahmedabad and has over 12 years of work experience.	December 15, 2016	36 Yrs	Vice President – Info Edge India Ltd (99 Acres.com)	-	No
10.	Pillutla Visvesvarryya Neelakantan	Vice President – Technology	55.89*	Permanent	Holds bachelors degree in technology B.Tech(Hons) from NIT Kurushetra, EPBM from IIM Calcutta. Total Experience of 20 years.	June 8, 2015	42 yrs	Pramati Technologies Limited	0.01	No
11	Suresh V	Chief Business Officer	8.73	Permanent	Holds Bachelors Degree in Engineering and a Master's Degree in Business Administration. Total experience of 25 years in Sales.	March 2, 2020	48 yrs	Info edge India Limited	-	No

**\*The earnings includes perquisites on account of shares allotted through employee stock option scheme and other perquisites.**

# Annexure C

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the Financial Year 2019-20

[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.

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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020 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, 2018 and amendments from time to time;
  - (d) 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; **(no events during the audit period)**.
  - (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 as the company is not registered as registrar to an issue and share transfer agent during the financial year under review)**.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(no events during the audit period)**.





- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(no events during the audit period).**

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.

We observe that the Company is required to spend an amount of Rs. 93.49 lakhs towards Corporate Social Responsibility (CSR) for the financial year 2019-20 excluding the unspent amount of Rs. 38 lakhs which was carried forward from the financial year 2018-19. As against the outstanding CSR expenditure of Rs.38 lakhs for the FY 2018-19, the company has spent Rs. 38.05 lakhs during the year 2019-20. As regards the CSR expenditure for the Financial Year 2019-20, the Company has spent an amount of Rs. 42.83 lakhs and an amount of Rs.50.66 lakhs remain unspent at the end of the year. However, against this amount, the Company contributed Rs. 50 lakhs each to "PM Cares Fund" and Tamilnadu Chief Ministers Public Relief Fund in the month of April 2020 towards disaster relief for fighting Covid 19 pandemic.

**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 4,950 equity shares of Rs. 5/- each on 09<sup>th</sup> May 2019 and 31,867 equity shares of Rs. 5/- each on 24<sup>th</sup> March 2020 pursuant to exercise of options granted under Employee Stock Option scheme 2014.

For V Suresh Associates  
Practising Company Secretaries

Place: Chennai  
Date : 19.05.2020

V Suresh  
Senior Partner  
FCS No. 2969  
C.P.No. 6032  
Peer Review Cert. No. : 667/2020  
UDIN: F002969B000255188



# Annexure D

## Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiary & associate companies

Sl. No	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Share holding	Country
1.	Sys India Private Limited	INR	-	1,00,000	10,45,841	83,29,965	71,84,124	0	19,17,724	2,22,775	47,574	1,75,201	0	100%	India
2.	Consim Info USA Inc	USD	-	1,000	2,78,944	4,21,628	1,41,684	0	41,637	3,045	(4,227)	7,271	0	100%	USA
3.	Matrimony DMCC	AED	-	50,000	2,07,863	9,76,973	7,19,110	0	32,18,040	13,15,778	-	13,15,778	8,85,000	100%	UAE
4.	Astro Vision Futuretech Pvt Ltd	INR	-	1,28,070	4,74,18,668	7,10,27,989	2,34,81,251	0	8,69,89,502	(1,05,12,993)	(27,35,230)	(77,77,763)	0	26.1%	India

# Annexure E

## Form 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 2019-20.

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

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Sys India Private Limited & Wholly Owned Subsidiary Company
2.	Nature of contracts/arrangements/transaction	1. Availing of advertising agency services for advertising in print media and vernacular websites of online media. 2. Hiring of employees for its operation
3.	Duration of the contracts/arrangements/transaction	3 years 01-06-2019 to 31-05-2022
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of 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, 1-04-2018 to 31-03-2021
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of 75 Crores per annum
5.	Date of approval by the Board	01/02/2018
6.	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Matrimony DMCC, Dubai & Wholly Owned Subsidiary Company
2.	Nature of contracts/arrangements/transaction	1. Granting of License to operate the Company's Match making business in GCC countries. 2. Providing of services including customer support, online marketing, accounting, finance, record keeping, tax, audit support, legal, information systems and other corporate services.
3.	Duration of the contracts/arrangements/transaction	Effective from 02-01-2019 to 31-03-2022
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of 6 Crores
5.	Date of approval by the Board	12/02/2019
6.	Amount paid as advances, if any	NIL

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 01-01-2019 to 31-12-2021. 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 11 <sup>th</sup> February 2020.
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of upto 25 lakhs
5.	Date of approval by the Board	24/03/2020
6.	Amount paid as advances, if any	NIL





# Annexure F

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2020

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

#### I REGISTRATION AND OTHER DETAILS:

i) CIN	: L63090TN2001PLC047432
ii) Registration Date	: 13/07/2001
iii) Name of the Company	: Matrimony.com Limited
iv) Category / Sub-Category of the Company	: Company limited by Shares/Non-Govt Company
v) Address of the registered office and contact details	: No.94, TVH Beliciaa Towers, Tower II, 10 <sup>th</sup> Floor MRC Nagar, Mandaveli, Chennai - 600028
vi) Whether listed Company	: Yes/No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: KFin Technologies Pvt Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad - 500032

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of Main Product/ Services	NIC Code of the Product	% to Total Turnover of the Company
1.	Matrimonial match making and allied services	63121	100%

#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Sys India Private Limited No. 94, TVH Beliciaa Towers, Tower II, 10 <sup>th</sup> Floor, MRC Nagar, Chennai - 600028	U74300TN2010PTC075740	Subsidiary	100%	2(87)(ii)
2.	Consim Info USA Inc., 220 Davidson Ave, Suite 315, Somerset, New Jersey 08873		Subsidiary	100%	2(87)(ii)
3.	Matrimony DMCC No.903, Fortune executive Tower, Jumeirah Lake Towers, Dubai United Arab Emirates.		Subsidiary	100%	2(87)(ii)
4.	Astro Vision Futuretech Private Limited Door No. 31/2165- A3 1 <sup>st</sup> Floor, White Tower, Kuthappadi Road, Thammanam Kochi Ernakulam 682 032.	U72200KL2001PTC014651	Associate	26.09%	2(6)

**IV SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

Category of Share Holders	No of Shares held at the beginning of the Year (as on 1.4.2019)				No of shares held at the end of the year (as on 31.3.2020)				% of change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	1,14,28,766*	-	1,14,28,766	50.28%	1,14,78,766*	-	1,14,78,766*	50.42	0.14%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)Others- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A) (1)+(A)(2)	1,14,28,766*	-	1,14,28,766	50.28%	1,14,78,766	-	1,14,78,766*	50.42	0.14%
B. PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	53,450	-	53,450	0.24%	2,38,392	-	2,38,392	1.05	0.81
b) Banks/FI	912	-	912	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	23,78,488	-	23,78,488	10.46%	23,78,488	-	23,78,488	10.45%	(0.01%)
i) Others (Specify) Foreign Company & Foreign Portfolio Investors & Alternate Investment Funds	78,03,863	-	78,03,863	34.34%	72,09,583	-	72,09,583	31.67%	(2.67%)
Sub Total (B) (1)	1,02,36,713	-	1,02,36,713	45.04%	98,26,463	-	98,26,463	43.16%	(1.88%)
2 Non Institutions									
a) Bodies Corporate									
i) Indian	1,45,462	-	1,45,462	0.63%	5,13,143	-	5,13,143	2.25%	3.33%
ii)Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals Shareholders holding Nominal share capital up to Rs.1 Lakh	4,99,566	-	4,99,566	2.20%	5,32,531	11,495	5,44,026	2.40%	(0.36%)
ii) Individuals shareholders holding Nominal share in excess of Rs.1 Lakh	79,440	44,676	1,24,116	0.55%	2,36,694	20,372	2,57,066	1.13%	0.58%
c) Others (specify) NRI, NBFC, Non-Repatriable Non-Resident, Clearing Members & Foreign National	2,48,257	46,476	2,94,733	1.30%	1,44,909	1,800	1,46,709	0.64%	(0.66)
Sub Total (B) (2)	9,72,725	91,152	10,63,877	4.68%	14,27,277	33,667	14,60,944	8.13%	(0.96%)
Total Public Shareholding (B) = (B)(1)+ (B)(2)	1,12,09,438	91,152	1,13,00,590	49.72%	1,12,53,740	33,667	1,12,87,407	49.58%	(0.03%)
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
GRAND TOTAL (A+B+C)	2,26,38,204	91,152	2,27,29,356	100%	2,27,32,506	33,667	2,27,66,173	100%	

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



## (ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Shri. Murugavel J	1,14,28,766*	50.28%	-	1,14,78,766*	50.42%	-	0.14%
	<b>TOTAL</b>	<b>1,14,28,766</b>	<b>50.28%</b>	<b>-</b>	<b>1,14,78,766</b>	<b>50.42%</b>	<b>-</b>	<b>0.14%</b>

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

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

Sl. No.	Particulars	Shareholding at the end of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Shri. Murugavel J</b>				
	At the beginning of the year	1,14,28,766*	50.28%		
	Add: Purchase of shares during the year	50,000	-	1,14,78,766	50.42%
	At the end of the year	1,14,78,766	50.42%	1,14,78,766	50.42%

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

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

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% Total Shares of the Company
<b>1</b>	<b>CMDB II</b>				
	At the beginning of the year	33,66,415	14.81%	***	***
	At the End of the year ( or on the date of separation, if separated during the year)	33,66,415	14.79%	33,66,415	14.79%
<b>2</b>	<b>MAYFIELD XII MAURITIUS</b>				
	At the beginning of the year	23,78,488	10.46%	***	***
	At the End of the year ( or on the date of separation, if separated during the year)	23,78,488	10.45%	23,78,488	10.45%
<b>3</b>	<b>NALANDA INDIA EQUITY FUND LIMITED</b>				
	At the beginning of the year	21,23,500	9.34%	***	***
	Add: Market Purchase				
	01-11-2019	1,340	-	21,24,840	9.34%
	08-11-2019	55	-	21,24,895	9.35%
	15-11-2019	1,36,827	0.60%	21,61,722	9.93%
	At the End of the year ( or on the date of separation, if separated during the year)	22,61,722	9.93%	22,61,722	9.93%

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% Total Shares of the Company
<b>4</b>	<b>MARATHON EDGE INDIA FUND I</b>				
	At the beginning of the year	5,61,115	2.47%	***	***
	Add: Market Purchase				
	31-03-2020	1,00,000	0.44%	6,61,115	2.90%
	At the End of the year (or on the date of separation, if separated during the year)	6,61,115	2.90%	6,61,115	2.90%
<b>5</b>	<b>MARATHON EDGE PARTNERS LLP</b>				
	At the beginning of the year	***	***	***	***
	Add: Market Purchase				
	31-03-2020	3,88,000	1.70%	3,88,000	1.70%
	At the End of the year (or on the date of separation, if separated during the year)	3,88,000	1.70%	3,88,000	1.70%
<b>6</b>	<b>BARING PRIVATE EQUITY INDIA AIF</b>				
	At the beginning of the year	3,14,110	1.38%	3,14,110	1.38%
	At the End of the year (or on the date of separation, if separated during the year)	3,14,110	1.38%	3,14,110	1.38%
<b>7.</b>	<b>ICICI PRUDENTIAL SMALLCAP FUND</b>				
	At the beginning of the year	53,450	0.23%	53,450	0.23%
	Add: Market Purchase				
	26-07-2019	4,525	0.02%	57,975	0.26%
	13-09-2019	3,334	0.02%	61,309	0.27%
	20-09-2019	169	-	61,478	0.27%
	11-10-2019	264	-	61,742	0.27%
	18-10-2019	14,993	0.07%	76,735	0.34%
	25-10-2019	153	-	76,888	0.34%
	01-11-2019	9205	0.04%	86,093	0.38%
	15-11-2019	50,000	0.22%	1,36,093	0.60%
	22-11-2019	50,000	0.22%	1,86,093	0.82%
	31-12-2019	1,599	0.01%	1,87,692	0.83%
	At the End of the year (or on the date of separation, if separated during the year)	1,87,692	0.82%	1,87,692	0.82%
<b>8.</b>	<b>LOBCO LIMITED</b>				
	At the beginning of the year	****	****	****	****
	Add: Market Purchase				
	22-11-2019	50,000	0.22%	50,000	0.22%
	27-03-2020	1,00,000	0.44%	1,50,000	0.66%
	At the End of the year ( or on the date of separation, if separated during the year)	1,50,000	0.66%	1,50,000	0.66%
<b>9.</b>	<b>DB INTERNATIONAL (ASIA) LTD</b>				
	At the beginning of the year	1,21,369	0.53%	1,21,369	0.53%
	At the End of the year ( or on the date of separation, if separated during the year)	1,21,369	0.53%	1,21,369	0.53%
<b>10.</b>	<b>TARRA FUND</b>				
	At the beginning of the year	1,01,000	0.44%	1,01,000	0.44%
	At the End of the year ( or on the date of separation, if separated during the year)	1,01,000	0.44%	1,01,000	0.44%





## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name (For Each of the Directors and KMP)	Shareholding at the end of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Shri. Murugavel J</b>				
	At the beginning of the year	1,14,28,766*	50.28%	***	***
	Add: Purchase of shares during the year	50,000	0.22%	1,14,78,766*	50.49%
	At the end of the year (or on the date of separation, if separated during the year)	1,14,78,766*	50.42%	1,14,78,766*	50.42%
<b>2</b>	<b>Shri. George Zacharias</b>				
	At the beginning of the year	44,676	0.20%	***	***
	At the end of the year (or on the date of separation, if separated during the year)	44,676	0.20%	44,676	0.20%
<b>3</b>	<b>Smt. Deepa Murugavel</b>				
	At the beginning of the year	4,007	0.02%	***	***
	At the End of the year (or on the date of separation, if separated during the year)	4,007	0.02%	4,007	0.02%
<b>4</b>	<b>Shri. Milind Shripad Sarwate</b>				
	At the beginning of the year	5,324	0.02%	***	***
	At the End of the year (or on the date of separation, if separated during the year)	5,324	0.02%	5,324	0.02%
<b>5</b>	<b>Shri. Sushanth S Pai</b>				
	At the beginning of the year	***	***	***	***
	At the End of the year (or on the date of separation, if separated during the year)	***	***	***	***
<b>6</b>	<b>Shri. S. Vijayanand</b>				
	At the beginning of the year	1,440	0.01%	1,440	0.01%
	Less: Market sale	1,339	0.01%	101	-
	Add: Acquired shares of the Company during the year through ESOP subscription	960	-	1,061	0.01%
	At the End of the year (or on the date of separation, if separated during the year)	1,061	0.01%	1,061	0.01%

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

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

In Rs. lakhs

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

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (in Rs. Lakhs)**

Sl. No.	Particulars of remuneration	Name of MD/ WTD/Manager	Total Amount
		<b>Murugavel J</b>	
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	175.64	175.64
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40
	c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % Profit	-	-
	- others	-	-
5.	Others	-	-
	<b>TOTAL(A)</b>	<b>176.04</b>	<b>176.04</b>
	<b>Ceiling as per the Act</b>	<b>178.29</b>	<b>178.29</b>



**B. Remuneration to other Directors (in Rs. Lakhs)**

Sl. No.	Particulars of remuneration	Name of Directors				Total Amount
1.	Independent Directors	Milind Shripad Sarwate	George Zacharias	C. K. Ranganathan	Akila Krishnakumar	
	- Fees for attending Board / Committee meetings	21.50	17.75	4.75	13.75	57.75
	- Commission	5.00	5.00	5.00	5.00	20.00
	- Others, please specify	-	-	-	-	-
	<b>Total</b>					<b>77.75</b>
2.	Other Non Executive Director	Deepa Murugavel				
	- Fees for attending Board / Committee meetings	6.75	-	-	-	6.75
	- Commission	5.00	-	-	-	5.00
	- Others, please specify	-	-	-	-	-
	<b>Total</b>					<b>11.75</b>
	<b>Total (B)=(1+2)</b>					<b>89.50</b>
	Overall ceiling as per the Act for remuneration to non executive directors other than sitting fees		35.66			

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: (in Rs. Lakhs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	19.64	68.81	88.03
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	1.93	-	1.93
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-
	- Others, specify.	-	-	-	-
5.	Others, please specify (Variable performance pay & others)	-	2.28	14.09	16.79
	<b>TOTAL</b>	<b>-</b>	<b>23.85</b>	<b>82.90</b>	<b>106.75</b>

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

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



# Annexure G

## REPORT ON CORPORATE GOVERNANCE

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

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Matrimony.com Limited 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 the sound governance policies and practices are necessary for establishing a proper environment for the achievement of our key objectives. Our corporate governance practice includes honesty, trust, integrity and openness in all our dealings with customers, business partners and our own associates. The Code of Conduct is communicated and enforced by our management to ensure a safe, ethical and wholesome environment. Our policies and practices are based on values like fairness, transparency and simplicity.

The following is a report on the status and progress on major aspects of Corporate Governance for the year ended 31<sup>st</sup> March 2020.

### 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 31<sup>st</sup> March 2020, the Board of Directors comprises of six 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 31<sup>st</sup> March 2020. 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 LODR, 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 31<sup>st</sup> March 2020.

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 31<sup>st</sup> March 2020**

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

**b) The number of Boards or Board Committees in which the Director is a Member or Chairperson as on 31<sup>st</sup> March 2020 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	7	4	7
Shri. Chinni Krishnan Ranganathan	3	-	1
Smt. Akila Krishnakumar	4	2	6

\* 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 31<sup>st</sup> March 2020:

Name of the Director	Name of the company	Category of directorship
<b>Shri. Milind Shripad Sarwate</b>	Mahindra & Mahindra Financial Services Ltd	Independent Director
	Glenmark Pharmaceuticals Limited	Independent Director
	Mindtree Limited	Independent Director
	Metropolis Healthcare Limited	Independent Director
<b>Shri. George Zacharias</b>	Subex Ltd	Independent Director



Name of the Director	Name of the company	Category of directorship
<b>Shri. Chinni Krishnan Ranganathan</b>	E.I.D Parry (India) Ltd	Independent Director
<b>Shri. Murugavel Janakiraman</b>	NIL	
<b>Smt. Deepa Murugavel</b>	NIL	
<b>Smt. Akila Krishnakumar</b>	IndusInd Bank Ltd	Independent Director
	Heidelbergcement India Ltd	Independent Director
	ABB Power Products and Systems India Ltd	Independent Director

### c) Meetings and Attendance

The Board met seven times during the year on, 03<sup>rd</sup> April 2019, 9<sup>th</sup> May, 2019, 7<sup>th</sup> August 2019, 8<sup>th</sup> November 2019, 5<sup>th</sup> February 2020, 20<sup>th</sup> February 2020 and 24<sup>th</sup> March 2020. Details of attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) of the Company are as follows

Name of the Director	Attendance	
	Board Meetings	Last AGM
Shri. Murugavel J	7	Yes
Smt. Deepa Murugavel	4	Yes
Shri. George Zacharias	7	Yes
Shri. Milind Shripad Sarwate	7	Yes
Shri. Chinni Krishnan Ranganathan	4	Yes
Smt. Akila Krishnakumar	7	Yes

### d) The details of the shares held by the Directors of the Company as at 31<sup>st</sup> March 2020 including the non-executive Directors are as follows:

Name of the Director	No. of Shares Held	Percentage to Capital
Shri. Murugavel J	1,14,78,766*	50.42
Smt. Deepa Murugavel	4,007	0.02
Shri. George Zacharias	44,676	0.2
Shri. Milind Shripad Sarwate	5,324	0.02
Shri. Chinni Krishnan Ranganathan	-	-
Smt. Akila Krishnakumar	-	-
<b>Total</b>	<b>1,15,32,773</b>	<b>50.66</b>

\* Included 12 shares held on behalf of Shareholders holding fractional shares on consolidation of shares from Rs.3 to Rs.5/- on 5<sup>th</sup> 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>

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
<b>Strategy</b>	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
<b>Finance</b>	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>analyse key financial statements;</li> <li>oversee financial reporting process</li> <li>critically assess financial viability and performance;</li> <li>contribute to strategic financial planning;</li> <li>oversee budgets and the efficient use of resources;</li> <li>oversee funding arrangements and accountability.</li> <li>evaluation of internal financial controls and risk management systems</li> </ul>	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 Shripad Sarwate Shri. George Zacharias Shri. C.K Ranganathan Shri. Murugavel J Smt. Akila Krishnakumar
<b>Risk</b>	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 Shripad Sarwate Shri. George Zacharias Shri. C.K Ranganathan Shri. Murugavel J Smt. Akila Krishnakumar
<b>IT</b>	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 Shripad Sarwate Shri. George Zacharias Shri. C.K Ranganathan Shri. Murugavel J Smt. Akila Krishnakumar
<b>Human Resource Management</b>	Experience at an executive level including the ability to: <ul style="list-style-type: none"> <li>Appoint and evaluate the performance of the CXO and senior management;</li> <li>oversee strategic human resource management including workforce planning,</li> <li>Employee and industrial relations; and</li> <li>oversee large scale organisational change.</li> </ul>	Available with the following Board of Directors Shri. Milind Shripad 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
<b>Technology Innovation</b>	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 has direct and long term experience in the Technology industry.
<b>Consumer Behaviour</b>	Understanding the trends in consumer behavior	Available with all the Board of Directors
<b>Industry connect</b>	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.
<b>Marketing</b>	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. Need further enhancement on Marketing strategy skills



## 2. AUDIT COMMITTEE

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

### a) Composition

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

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri. Milind Shripad Sarwate - Chairman	5
2.	Shri. George Zacharias	5
3.	Shri. Chinni Krishnan Ranganathan#	-
4.	Smt. Akila Krishnakumar#	2

#Note: Smt. Akila Krishnakumar was inducted into the committee with effect from 7<sup>th</sup> August 2019 replacing Shri. Chinni Krishnan Ranganathan who has resigned from the Committee

During the year the Committee met five times, viz., 03<sup>rd</sup> April 2019, 9<sup>th</sup> May 2019, 7<sup>th</sup> August 2019, 8<sup>th</sup> November 2019 and 5<sup>th</sup> February 2020.

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

### b) Brief description of terms of reference

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

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

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

**c) The Committee has been reconstituted during the year. Smt. Akila Krishnakumar was inducted into the committee with effect from 7<sup>th</sup> August 2019 replacing Shri. Chinni Krishnan Ranganathan 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	4
2.	Shri. George Zacharias	4
3.	Shri. Chinni Krishnan Ranganathan #	-
4.	Smt. Akila Krishnakumar #	3

#Note: Smt. Akila Krishnakumar was inducted into the committee with effect from 7<sup>th</sup> August 2019 replacing Shri. Chinni Krishnan Ranganathan who has resigned from the Committee

During the year, the Committee met four times, viz., 9<sup>th</sup> May 2019, 8<sup>th</sup> November 2019, 5<sup>th</sup> February 2020 and 24<sup>th</sup> March 2020.

The Committee has been reconstituted during the year. Smt. Akila Krishnakumar was inducted into the committee with effect from 7<sup>th</sup> August 2019 replacing Shri. Chinni Krishnan Ranganathan who has resigned from the Committee

#### b) Brief description of terms of reference

The terms of reference include the following:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
2. To carry out evaluation of every director's performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
4. To formulate the criteria for evaluation of Independent Directors and the Board.
5. To devise a policy on Board diversity.
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:
  - the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
  - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
  - the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
  - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period;
  - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
  - the granting, vesting and exercising of options in case of employees who are on long leave; and
  - the procedure for cashless exercise of options.
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.





### c) Nomination and Remuneration Policy

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

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

## 4. REMUNERATION TO THE DIRECTORS

The details of remuneration paid to Directors are given below,

### (i) Remuneration to Non-Executive Directors during the Financial Year 2019-20 :

The Non-Executive Directors are eligible for the following sitting fees per meeting with effect from 7<sup>th</sup> August 2019:

Particulars	(Rs.)
Board Meeting, Audit Committee Meeting & Nomination & Remuneration Committee Meeting	1,00,000
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 7<sup>th</sup> 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 7<sup>th</sup> August 2019 have approved a fixed commission of Rs. 5,00,000 to each of the non-executive Directors subject to fulfilling the profit criteria for the year 2019-20.

Details of Sitting Fees and commission paid to Non-Executive Directors during the financial year 2019-20 are as follows:

Name of the Director	Board Meeting # (Rs.)	Committee Meeting (Rs.)	Commission* (Rs.)	Total (Rs.)
Shri. Milind Shripad Sarwate	7,75,000	13,75,000	5,00,000	26,50,000
Shri. George Zacharias	7,75,000	10,00,000	5,00,000	22,75,000
Shri. Chinni Krishnan Ranganathan	4,75,000	-	5,00,000	9,75,000
Smt. Deepa Murugavel	4,00,000	2,75,000	5,00,000	11,75,000
Smt. Akila Krishnakumar	7,75,000	6,00,000	5,00,000	18,75,000

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

\*The commission shall be paid during the financial year 2020-21 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 2019-20:

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 3<sup>rd</sup> May 2018 & August 10, 2018 respectively for a period of three years with effect from 1<sup>st</sup> April 2018 with a basic salary of Rs. 1.5 Crore in the grade of 1.5 Crore to 2.5 Crore and a Variable performance Pay upto 100% of the basic salary on fulfilling the performance criteria laid down by the Nomination committee and the Board of Directors apart from other benefits. During the year, the Nomination and Remuneration Committee has fixed a salary of Rs. 1.8 Crore p.a., including allowances / perquisites and other applicable statutory contributions (both employer and employee). His total remuneration for the year amounted to Rs. 176.04 lakhs.

**(iii) Stock options to Non-Executive Director**

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

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

There are no pecuniary relationship/transactions with the Non-Executive Directors except payment of sitting fees, commission and reimbursement of travel expenses for attending Board & Committee Meetings. Please refer Note No. 39 - 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	-
2.	Shri. Murugavel J	1
3.	Shri. Akila Krishnakumar#	1

#Note: Smt. Akila Krishnakumar was inducted into the committee with effect from 7<sup>th</sup> August 2019 replacing Shri. George Zacharias who has resigned from the Committee.

During the year the Committee met once on 24<sup>th</sup> March 2020.

**b) Brief description of terms of reference**

The Committee's main focus is on the basic rights of the Shareholders including, Transfer of Shares, Transmission / Transposition of Shares, Issue of Duplicate/Split Certificates, Sub Division/Consolidation of Shares, Consolidation of Folios, Dematerialization/Rematerialization of Shares, Change of address, non receipt of the Refund Orders, non receipt of the Share 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 7 complaints during the year. There are no pending complaints as on 31<sup>st</sup> March 2020.

**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 twice during the year. Earlier Shri. George Zacharias was appointed in place of Shri. Milind Shripad Sarwate. Subsequently Smt. Akila Krishnakumar was inducted as member in place of Shri. George Zacharias.**



## 6. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

### i) SHARE ALLOTMENT COMMITTEE

#### a) Composition:

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

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

#Note: Shri. George Zacharias was inducted into the committee with effect from 7<sup>th</sup> August 2019 replacing Shri. Chinni Krishnan Ranganathan who has resigned from the Committee.

During the year the Committee met twice, viz., 9<sup>th</sup> May, 2019 and 24<sup>th</sup> March 2020 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 been reconstituted during the year. Shri. George Zacharias was inducted as member in place of Shri. C K Ranganathan who has resigned from the Committee on 7<sup>th</sup> August 2019.**

### 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	3
2.	Shri. Chinni Krishnan Ranganathan	-
3.	Smt. Deepa Murugavel	3
4.	Shri. Milind Shripad Sarwate	3

#Note: Shri. Milind Shripad Sarwate was inducted into the committee with effect from 3<sup>rd</sup> April 2019. Shri. Chinni Krishnan Ranganathan who has resigned from the Committee with effect from 7<sup>th</sup> August, 2019.

During the year, the Committee met thrice on 9<sup>th</sup> May, 2019, 7<sup>th</sup> August, 2019 and 5<sup>th</sup> February 2020.

#### 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;

- iii) To monitor the CSR policy of the Company from time to time;
  - iv) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.
- c) **The Committee has been reconstituted during the year. Shri. Milind Shripad Sarwate was inducted as member on 3<sup>rd</sup> April 2019. Shri. Chinni Krishnan Ranganathan has resigned from the Committee with effect from 7<sup>th</sup> August 2019.**

### iii) RISK AND GOVERNANCE COMMITTEE

#### a) Composition

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

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

#Note: Smt. Akila Krishnakumar was inducted into the committee with effect from 7<sup>th</sup> August 2019 replacing Shri. Chinni Krishnan Ranganathan who has resigned from the Committee.

During the year the Committee met once on 8<sup>th</sup> November 2019.

#### b) Brief description of terms of reference

The scope of the Committee includes the following

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

## 7. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 24<sup>th</sup> March 2020 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
7 <sup>th</sup> August 2019	AGM	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Alwarpet, Chennai – 600018	10 AM
10 <sup>th</sup> 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 AM
27 <sup>th</sup> April 2017	EGM	No.94, TVH Beliciaa Towers, Tower II, 10 <sup>th</sup> Floor, MRC Nagar, Chennai – 600028	11 AM
07 <sup>th</sup> June 2017	AGM	No.94, TVH Beliciaa Towers, Tower II, 10 <sup>th</sup> Floor, MRC Nagar, Chennai -600028	11 AM

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

Date of the AGM	Subject Matter of the Special Resolution
7 <sup>th</sup> 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
7 <sup>th</sup> 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

Following Special Resolutions were passed during the year under review through Postal Ballot on 20<sup>th</sup> December 2019. There are no other matters requiring passing of resolutions through postal ballot is conducted through postal ballot.

### Subject Matter of the Special Resolution

Approval for re-appointment of Shri. Milind Shripad Sarwate (DIN:00109854) as Independent Director for a period of 5 years from January 27, 2020 till January 26, 2025
Approval for re-appointment of Shri. George Zacharias (DIN:00162570) as Independent Director for a period of 5 years from January 27, 2020 till January 26, 2025
Approval for re-appointment of Shri. Chinni Krishnan Ranganathan (DIN:00550501) as Independent Director for a period of 5 years from January 27, 2020 till January 26, 2025

The voting pattern for the above postal ballot is given below

Particulars of the resolution	Type of resolution	Total valid votes received	Total votes in favour	Total votes against	Invalid votes
Approval for re-appointment of Shri. Milind Shripad Sarwate (DIN: 00109854) as Independent Director for a period of 5 years from January 27, 2020 till January 26, 2025	Special	1,72,07,778	1,71,27,929	79,849	-
Approval for re-appointment of Shri. George Zacharias (DIN: 00162570) as Independent Director for a period of 5 years from January 27, 2020 till January 26, 2025.	Special	1,72,07,778	1,72,07,743	35	-
Approval for re-appointment of Shri. Chinni Krishnan Ranganathan (DIN: 00550501) as Independent Director for a period of 5 years from January 27, 2020 till January 26, 2025.	Special	1,72,07,778	1,61,68,354	10,39,424	-



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

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

**(vi) Procedure for postal ballot:**

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

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

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

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

## 9. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are published in English in Financial Express (All Editions) and in Malai Sudar. The results were also displayed on the Company's website [www.matrimony.com](http://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	06 <sup>th</sup> August 2020
2.	Day	Thursday
3.	Time	10.00 A.M.
4.	Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA 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 2020-21 (tentative)**

The Financial year of the Company is April - March of every year and the tentative details of the financial calendar for the year 2020-21 are as under:

Financial Results for the Quarter ending 30 <sup>th</sup> June 2020	Between 15 <sup>th</sup> July & 14 <sup>th</sup> August 2020
Financial Results for the Quarter ending 30 <sup>th</sup> September 2020	Between 15 <sup>th</sup> October & 14 <sup>th</sup> November 2020
Financial Results for the Quarter ending 31 <sup>st</sup> December 2020	Between 15 <sup>th</sup> January & 14 <sup>th</sup> February 2021
Financial Results for the year ending 31 <sup>st</sup> March 2021	Between 1 <sup>st</sup> May & 30 <sup>th</sup> May 2021
Annual General Meeting of the Company, for the year ending 31 <sup>st</sup> March 2021	July / August 2021

**c) Dividend payment date**

On or after August 6, 2020 (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:

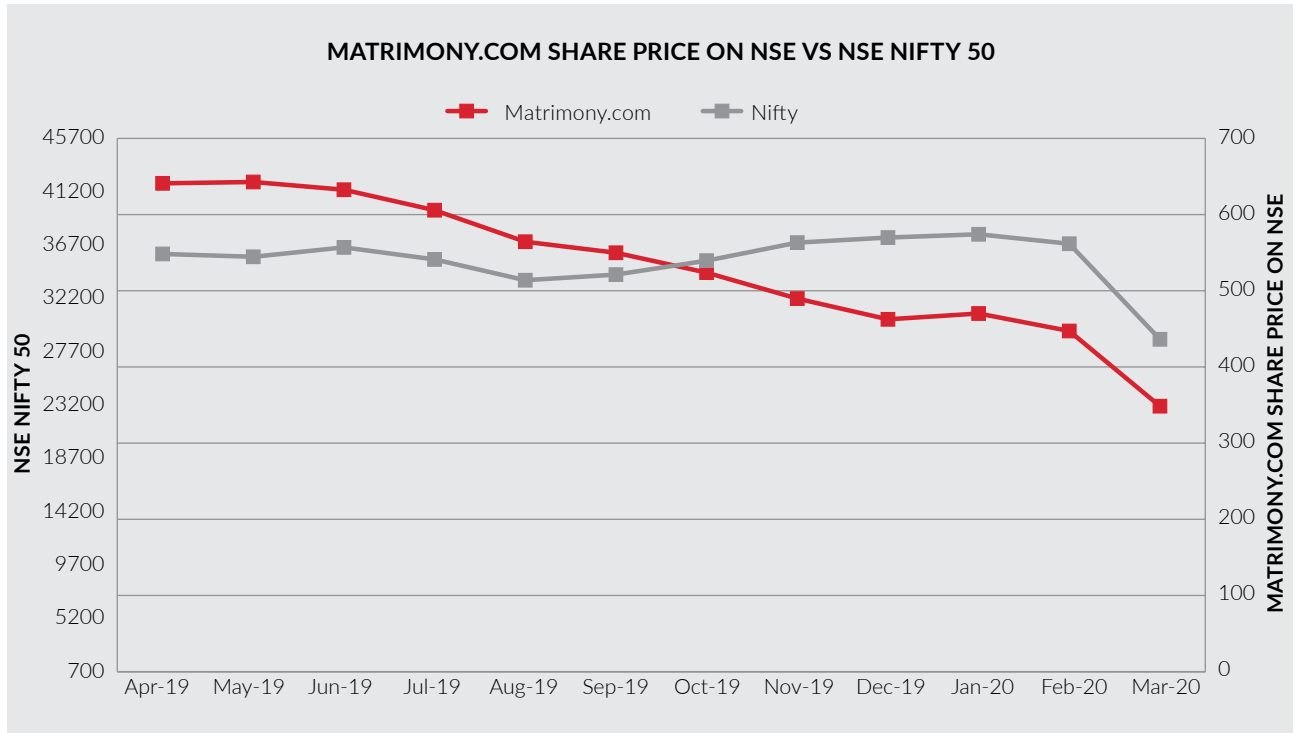
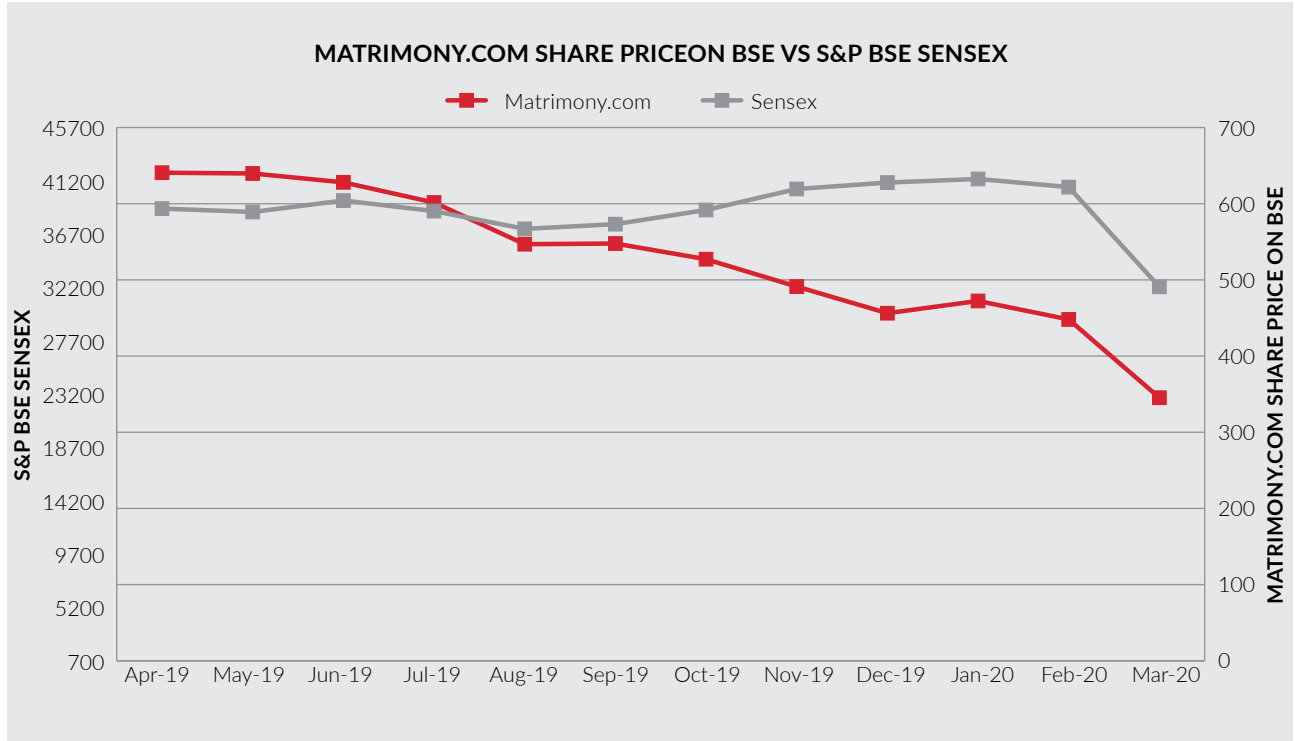
Name of the Stock Exchange	Address	Stock Code
BSE Limited	Phiroze Jhejeebhoy Towers, Dalal Street, Mumbai – 400 001	540704
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	MATRIMONY

In line with the provisions of the Listing Agreement with the Stock Exchanges, the listing fees for the financial year 2019-20 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 19	749.70	601.00	730.10	605.00
May 19	750.00	549.00	755.60	573.10
Jun 19	717.00	569.60	722.00	562.00
Jul 19	703.00	528.95	674.40	524.95
Aug 19	575.00	523.60	620.00	507.60
Sep-19	599.95	501.80	610.00	501.10
Oct-19	578.00	487.05	580.00	472.80
Nov-19	549.00	467.70	569.00	460.00
Dec-19	493.00	429.70	489.40	434.00
Jan-20	537.00	446.10	539.95	432.20
Feb-20	481.75	400.10	485.55	411.65
Mar-20	437.00	251.00	423.05	251.00

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

To ensure swift processing of the Share 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 31<sup>st</sup> March 2020:**

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	50.44
Bodies Corporate	-	-	-	
Trusts				
Promoter shareholding (A)	<b>3</b>	<b>1,14,82,774</b>	<b>1,14,82,774</b>	<b>50.44</b>
(B) Non-Promoters Institutional Investors				
Mutual Funds / UTI	2	2,38,392	2,38,392	1.05
Financial Institutions / Banks	-	-	-	-
Insurance Companies	-	-	-	
Alternative Investment Funds	3	9,95,225	9,95,225	4.37
Foreign Institutional Investors	-	-	-	
Foreign Portfolio Investor (Corporate)	13	28,47,943	28,47,943	12.51
Foreign Venture Capital Investors	1	23,78,488	23,78,488	10.45
Foreign Companies	1	33,66,415	33,66,415	14.79
<b>Sub Total</b>	<b>20</b>	<b>98,26,463</b>	<b>98,26,463</b>	<b>43.17</b>

Category of Shareholder	Number of Shareholders	Total Shares	Of this, Shares in demat form	Percentage of holding to total shares
General Public	7,831	6,43,557	6,43,555	2.82
NBFC	-	-	-	-
Bodies Corporate	105	5,13,143	5,13,143	2.25
Others including HUF, NRIs, Foreign Nationals, Clearing Members, Directors relatives, ESOP & etc	542	3,00,236	2,66,569	1.32
<b>Sub Total</b>	<b>8,478</b>	<b>14,56,936</b>	<b>14,23,267</b>	<b>6.39</b>
Non-Promoters shareholding (B)	8,498	1,12,83,399	1,12,49,730	49.56
<b>Total Shareholding (A)+(B)</b>	<b>8,501</b>	<b>2,27,66,173</b>	<b>2,27,32,504</b>	<b>100</b>

**j) The Distribution of Shareholding of the Company as at 31<sup>st</sup> March 2020 is as follows:**

No of Equity shares held	No of shareholders	% of total	No of Shares	% of total
1-5,000	8,456	99.47%	5,08,071	2.23%
5,001-30,000	22	0.26%	2,55,975	1.12%
30,001-40,000	4	0.05%	1,38,695	0.61%
40,001-50,000	3	0.04%	1,36,092	0.60%
50,001-1,00,000	5	0.06%	3,18,663	1.40%
1,00,001-10,00,000	7	0.08%	19,23,286	8.45%
10,00,001 and above	4	0.05%	1,94,85,391	85.59%
<b>Total</b>	<b>8,501</b>	<b>100</b>	<b>2,27,66,173</b>	<b>100</b>

**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, 4 <sup>th</sup> & 5 <sup>th</sup> Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013.
Central Depository Services (India) Limited	Marathon Futurex, A-Wing, 25 <sup>th</sup> floor, NM Joshi Marg, Lower Parel, Mumbai 400013

The annual custodial / issuer charges to the respective Depository for the financial year 2019-20 have been paid as on date.

As at 31<sup>st</sup> March 2020, 22732504 equity shares representing 99.85% 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 31<sup>st</sup> March 2020.

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

Shri. Vijayanand S, Company Secretary and Compliance Officer  
No.94, TVH Beliciaa Towers, Tower II, 10<sup>th</sup> Floor, MRC Nagar, Mandaveli, Chennai – 600028  
Phone: +91 44 3095 3095, +91 44 4900 1919  
e-mail: [investors@matrimony.com](mailto: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 NSDL and CDSL and the total issued and paid up capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**(ii) Compliance Certificate**

Compliance Certificate dated May 20, 2020 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.

- c) The Company has a Vigil Mechanism and Whistle Blower Policy, available at the Company's website and its weblink is <https://www.matrimony.com/investors/policies/Vigil-Mechanism-Whistle-Blower-Policy.pdf>. It is further affirmed that no personnel has been denied access to the Audit Committee.
- d) (i) The Company has complied with the Mandatory requirements under SEBI (LODR) Regulations, 2015.
- ii) Adoption of non-mandatory requirements of the listing regulation is being reviewed by the Board of Directors from time to time. The Company has been a strong believer in good Corporate Governance and has been adopting the best practices. During the year under review, there is no audit qualification in your Company's standalone and consolidated financial statements. Your Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.
- e) The Material Subsidiary Policy is disclosed in the Company's website and its web link is <https://www.matrimony.com/investors/policies/Material-Subsidiary-Policy.pdf>
- f) The Company has both Indian and overseas subsidiaries, which are not listed. Based on the said policy, none of the said subsidiaries qualify as a material subsidiary. The management of the unlisted subsidiaries periodically bring to the notice of the Board, a statement on significant transactions and arrangements if any, entered into by them. The minutes of the meetings of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.
- g) The Company enters into contract with wholly owned subsidiaries for a minimum period of three years. The Company generally do not enter into any contract with any other related parties other than the wholly owned subsidiaries. The requirement of obtaining prior or omnibus approval of Audit committee and shareholders' approval does not arise since the transactions are with wholly owned Subsidiaries. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is: <https://www.matrimony.com/investors/policies/Related-Party-Transaction-Policy.pdf>.
- h) Total fees for all services paid by the listed entity to the statutory auditor and to other network entities are given below.

#### I. S. R. Batliboi & Associates LLP

Particulars	Amount (Rs. Lakhs)
Audit fee	26.00
Limited review	9.00
Tax audit fee	1.00
Others including certification fees	5.50
<b>Total</b>	<b>41.50</b>

#### II. Ernst & Young

Particulars	Amount (Rs. Lakhs)
Consultancy fees towards investor relations support	4.50
Reimbursement of out of pocket expenses	0.64
<b>Total</b>	<b>5.14</b>



- 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 : 10
  - ii. number of complaints disposed of during the financial year : 10
  - iii. number of complaints pending as on end of the financial year : NIL
- j) The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.
- k) The Board of Directors periodically review Compliance Reports pertaining to all laws applicable to the Company. No non-compliance was reported during the year under review.
- l) The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.
- m) A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013.
- n) Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
- o) The Company 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 NRC carries out a separate exercise to evaluate the performance of individual Directors. Further, in accordance with Schedule IV to the Companies Act, 2013 and the Listing Regulations, performance evaluation of Independent Directors was done by the entire Board excluding the Director being evaluated. The manner in which the annual performance evaluation is done by the Board including the criteria for the same is discussed in detail in the Directors report.
- s) The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
- t) As required under Regulation 46(2) of SEBI (LODR) Regulations, 2015 the following information have been duly disseminated in the Company's website and its weblink is <https://www.matrimony.com/investors/policies.php>
- Terms and conditions of appointment of Independent Directors
  - Composition of various committees of Board of Directors
  - Code of Conduct of Board of Directors and Senior Management Personnel
  - Details of establishment of Vigil Mechanism/Whistle Blower Policy
  - Policy on dealing with Related Party Transactions

- Policy for determining 'Material' Subsidiaries
- Policy on Corporate Social Responsibility
- Details of Familiarization Programmes imparted to Independent Directors

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

## **12. CEO / CFO CERTIFICATION**

The Chairman & Managing Director of the Company Shri. Murugavel J, Managing Director along with Chief Financial Officer of the Company Shri. Sushanth S Pai, have certified compliance with the stipulations of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 in relation to the Annual Financial Statements for the year 2019-20.

## **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 31<sup>st</sup> March 2020.

For MATRIMONY.COM LIMITED

Place: Chennai  
Date : 20<sup>th</sup> May 2020

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 as amended.

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

1. The Corporate Governance Report prepared by Matrimony.com Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ("Applicable criteria") for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

**Management's Responsibility**

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

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both

issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings/other meetings held from April 1, 2019 to March 31, 2020:
    - (a) Board of Directors;
    - (b) Audit committee;
    - (c) Annual General meeting;
    - (d) Nomination and Remuneration committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Independent Directors meeting;
    - (g) Risk & Governance committee;
    - (h) Corporate Social Responsibility committee; and
    - (i) Share Allotment committee.
  - v. Obtained necessary declarations from directors of the Company;
  - vi. Obtained and read the policy adopted by the Company for related party transactions;
  - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee; and
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
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 stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, 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 20, 2020

UDIN : 20221268AAAAAR5350

Corporate  
OverviewStatutory  
ReportsManagement Discussion  
& Analysis ReportBusiness Responsibility  
ReportFinancial Statements  
StandaloneFinancial Statements  
Consolidated

# 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

The calendar year 2019 started off with rising tensions between the world's two largest economies – US and China. US and China together account for 40% of the global GDP and the trade disputes between them had an adverse effect on the global economy and sentiment overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also impacted the output and profitability of firms leading to deterred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs on intermittent favourable news on US-China trade negotiations.

If the pain felt across global economies was not enough in 2019, the year ended off on a worse footing with the onset of the pandemic in the form of Novel Coronavirus (COVID-19) infecting more than 750,000 people in at least 110 countries in less than three months, and killing more than 36,000 by the end of March 2020. From an economic perspective, the key issue was not just the number of cases of this virus, it is the level of disruption to economies with countries stalling economic activity to contain the spread of COVID-19, which may lead to a global recession in 2020. The UNCTAD on 9 March 2020 estimated a shortfall of US\$ 2 trillion in global income and predicting China and India would be least exposed to the recession. The OECD (Interim Economic Assessment, March 2020) sharply revised down its global growth projection to 1.5% in 2020 due to COVID-19, a downward revision of 1.4% points. It remains to be seen on how countries deal with this grave situation, reducing the magnitude of the damage and putting together plans in place for reviving the economy. (Source: EY economy Watch, March 2020; Potential impact of COVID-19 on the Indian economy by KPMG)

## Indian Economy Overview

India has continued its effort to put the economy in a growth trajectory and has become the world's fifth largest economy in order to achieve the government's vision of making India a USD 5 trillion economy by 2025, the finance ministry has brought in a series of reforms to provide stimulus to the economy and spur investments and enhance purchasing power. .

In the Indian Budget 2020 the real GDP growth was estimated at 5.0% for the financial year 2019-20, growing to 5.6% in financial year 2020-21. With recent development with regards to Covid-19 cases in India, these growth estimates are expected to take a major hit. The financial year 2021, regardless to say, is going to be a challenging one for the world and India (Source: IBEF Report on domestic investments, Mar 2020; 2020-2021 India Budget Report)

## Digital India

India is emerging as a major player in the digital economy with both the private and public sector propelling this growth and driving consumer pattern and reshaping interactions. Be it any metrics, India's future potential in this space is poised to reach new highs.



Internet penetration in India grew from just 4 per cent in 2007 to 50.52 per cent in 2019 with an internet base of 665 million at June 2019 and is expected to reach 829 million by 2021. Urban India with an estimated population of 444 million as per 2011 census has subscriber base at 427.05 million. Rural India having an estimated population of 906 million as per 2011 census had a subscriber base of 238.26 million. Internet penetration in rural India is expected to grow as high as 45 per cent by 2021 compared to the current rate of 21.76 per cent. Number of active internet users in the country is the second highest globally and data usage of 8 GB/subscriber/month is comparable to developed countries. India is also one of the largest data consumers globally. It has highest data usage per smartphone at an average of 9.8 GB per month. India has 1.16 billion mobile subscribers comprising 700 million unique subscribers fostered by increased consumer spending, low data tariffs and low-cost handsets. Mobile apps have become an integral part of the mobile eco system. India witnessed a mind-boggling growth of 190% since 2016 reaching about 40 billion app downloads by 2019. India's internet economy is expected to double to US\$ 250 billion by 2020, from April 2017 levels, majorly backed by E-commerce. The Indian E-commerce industry has been growing at a good pace and is expected to surpass the US to become the second largest E-commerce market in the world by 2034. The E-commerce market is expected to reach US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017. India's e-commerce market has the potential to grow than four folds to US\$ 150 billion by 2022 supported by rising incomes and surge in internet users. (Source: Mobile Marketing Ecosystem report 2020, IBEF report on E-commerce, Dec 2019)..

### Matchmaking in India

India being a young country, it has 110 million unmarried individual within the marriageable bracket. India's demography benefits from a large young population. It is estimated that approximately 65% of the unmarried Indian population is less than 35 years. It is expected that this young base will get married over the next two decades, resulting in an average of 10 to 12 million weddings each year until fiscal 2025. Additionally, a majority of Indian marriages are arranged marriages, and as digitization penetration increases, matchmaking platforms have increasingly become the go to option as they offer a wider choice for matchmaking. With the millennials and Gen Z embracing change all around with other forms of engagement, it is understood that they continue to treat Marriage with certain traditional values and processes with Parents still forming part of the eco-system. However, the expectations in finding a life partner are evolving and dynamic. Rising disposable incomes also means Indians spend a large part of their income on weddings and related services. The spending on marriage related services is estimated to be US\$57bn. (Source: Statistic brain report, Statista.com, KPMG)

### Strengths and Opportunities

**Long standing history creating leadership position and strong consumer brand:** Launched in 2000, Matrimony.com continues to be the market leader for Matchmaking Services over two decades. We deliver matchmaking services to our users in India and the Indian diaspora through our websites, mobile sites and mobile apps complemented by our on-the-ground network in India. As at 31 March 2020, we have active profiles of 4.6 million. We differentiate ourselves by following a micro-market strategy whereby we offer a range of targeted and customized products and services that are tailored to meet the requirements of customers based on multi-dimensional preferences as well as personalized matchmaking services through EliteMatrimony and our Assisted Service package. We cater to the needs of various communities through CommunityMatrimony, a consortium of various matrimony portals comprising more than 300+ community matrimony sites. Our brand, BharatMatrimony.com, has been conferred with the prestigious 'Superbrand 2019' status by leading independent brand arbiter Superbrands India. This year's effort was endorsed by 18,031 consumers who scored across 1488 brands and 237 categories. Matrimony.com featured among 140 Indian companies in the Financial Times ranking of Asia-Pacific High-Growth Companies. The FT list was compiled with Statista, a research company, and ranks entrants from across the Asia-Pacific by compound annual growth rate (CAGR) in revenue between 2015 and 2018. The Economic Times has featured Matrimony.com in ET India's Growth Champions 2020 list, a list of fastest growing companies. This was in collaboration with Statista. Our Success Stories project has been recognised among the India's Top 15 Content Campaigns (2019) by BestMediaInfo.

**Diversification to Marriage Services:** We believe that our diversification to emerging adjacencies to matchmaking segment, through marriage services initiatives (Bazaar and Mandaps), provides us a huge opportunity. This market is estimated to be around Rs. 3,500 billion and they are largely unorganized and fragmented. This will also benefit from having a common customer base that has been acquired over the years through our online matchmaking business. MatrimonyBazaar was rolled out in 2016 to provide wedding services ranging from catering to clothing through a platform across the Southern States. Today, it has 20,000 vendors across 20 cities in India. In 2017, MatrimonyMandaps (renamed as Mandaps.com) was launched. Today it helps customers find wedding banquet halls across 20 cities in India with over 7,000 venues.

**Digital transformation and customer experience:** 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. We are also leveraging these technologies to drive acquisition of profiles thereby helping in value creation and monetization. The company has a highly scalable redundant private cloud to serve customers' needs 24/7. Matrimony.com also leverages the world's largest distributed computing platform for content delivery. We also continue to work on various product initiatives to improve our overall product experience and keeping in mind changing customer needs and demographics. 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.

From a customer experience perspective, we use analytics to guide the users throughout their match discovery process. Matrimony's Intelligent Matchmaking Algorithm (MIMA), which is our advanced match recommendation engine, combines machine learning techniques with mathematical rules to serve appropriate profiles to members, thereby enhancing the user experience. It combines the user's stated preferences with their behaviour on the product to prioritise the matches for them. Based on their viewing and communication patterns, we show sections of prospects that will lead to a higher contact initiation and mutual value creation for the users. We also keep spams in check to ensure that the user gets only relevant matches and communication, to help them with a faster turnaround in finding their desired partner. For acquisition marketing, we track the performance of marketing channels and campaigns and measure the return on investment which, in turn, is used to optimise the allocation of spends in the future.

**Market Opportunity:** All the market opportunities detailed in our earlier "Industry section" provides us with huge potential to scale further heights. We are well geared to address this potential by strengthening our position on 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:

Particulars	FY2019-20 Rs. Lakhs	% to total income	FY2018-19 Rs. Lakhs (Restated)	% to total income	Growth %
Revenue from Operations	37,183.53	99.6%	34,842.75	99.5%	6.7%
Other income	152.98	0.4%	165.36	0.5%	(7.5%)
<b>Total income</b>	<b>37,336.51</b>	<b>100.0%</b>	<b>35,008.11</b>	<b>100.0%</b>	<b>6.7%</b>
<b>Expenses</b>					
Employee benefit expenses	15,346.38	41.1%	14,148.06	40.4%	8.5%
Advertising and business promotion expenses	10,802.74	28.9%	8,103.83	23.1%	33.3%
Other expenses	5,585.10	15.0%	5,163.03	14.7%	8.2%
<b>Total expenses</b>	<b>31,734.22</b>	<b>85.0%</b>	<b>27,414.92</b>	<b>78.3%</b>	<b>15.8%</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>5,602.29</b>	<b>15.0%</b>	<b>7,593.19</b>	<b>21.7%</b>	<b>(26.2%)</b>
Depreciation & amortization	<b>2,796.36</b>	<b>7.5%</b>	2,651.01	7.6%	5.5%
Finance cost	<b>524.95</b>	<b>1.4%</b>	485.87	1.4%	8.0%
Finance income	<b>1,632.95</b>	<b>4.4%</b>	<b>1,393.32</b>	<b>4.0%</b>	<b>17.2%</b>
<b>Profit before tax and share of profit/ (loss) from associate</b>	<b>3,913.93</b>	<b>10.5%</b>	<b>5,849.63</b>	<b>16.7%</b>	<b>(33.1%)</b>
<b>Share of profit/ (loss) from associate</b>	(6.28)	0.0%	-	-	
<b>Profit before tax (PBT)</b>	<b>3,907.65</b>	<b>10.5%</b>	<b>5,849.63</b>	<b>16.7%</b>	<b>(33.2%)</b>
Tax Expense	954.17	2.6%	1,604.57	4.6%	(40.5%)
<b>Profit after tax (PAT)</b>	<b>2,953.48</b>	<b>7.9%</b>	<b>4,245.06</b>	<b>12.1%</b>	<b>(30.4%)</b>

**Note:** In February 2020, the company acquired a 26.09% stake in Astro Vision Futuretech Private Limited (Astro-Vision), the promoter of clickAstro.com. The 26.09% stake is significantly through fresh infusion of capital in Astro-Vision. Astro-Vision, since its inception in 1984, has been the pioneer in promoting Vedic based astrology solutions by providing astrology content and astrology software in more than 10 Indian languages and has generated more than 110 million horoscopes till date. Today this software is considered the de-facto standard in the field of Indian astrology. The Indian spiritual and religious market is estimated to be a multi-billion-dollar market, of which horoscopes is an important component. The growth in technology has significantly increased the traction for Astrology and Astrology continues to play a significant role in Indian marriages. Matrimony.com and other leading matrimony service providers have been using astrology services offered by Astro-Vision for many years. With the strategic investment we see further synergies in enhancing our value-add to our customers and also accelerate the growth of Astro-Vision. Accordingly, Astro-vision has been treated as an Associate under Ind-AS 28 and accounted for this investment under the equity method effective 11<sup>th</sup> February 2020. The impact on the P&L is insignificant.

**Revenue:** Overall revenue grew by 6.7% for the year. The revenue distribution is through two segments such as Matchmaking and marriage services. The segment wise performance is given in table later in the discussion. Matchmaking comprises 96.9% of revenues and grew by 7.3% in FY20 as compared to a growth of 5.2% in FY19. The key drivers for this business are number of free registrations, paid profiles and Average Transaction Value (ATV). The number of free registrations for the year was at 52.8 lakhs, a 29.5% increase over the previous year, paid profiles is at 7.04 lakhs, a decrease of 3.61% over the previous year. ATV is at Rs. 5,061, an increase of 8.1% 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 (PMRPY) scheme for incentivizing employers for generation of new employment which has declined by 7.5%.

### Expenses

**Employee benefit expenses:** Employee benefit expenses have increased mainly due to annual salary increments being given effect during the year.

**Advertising and Promotion expenses:** We increased our marketing initiatives significantly during the year by Rs. 2,698.91 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 related costs, infrastructure and admin costs and legal and professional fees and have increased by Rs. 422.07 lakhs. This was mainly due to increase in IT expenses (Rs. 93.06 lakhs), Legal and professional fees (Rs. 162.54 lakhs), Travelling expenses (Rs. 88.73 lakhs) Impairment of fixed assets (Rs. 65.44 lakhs), Interest on PF demand (Rs.73.19 lakhs), Service tax and interest on it (Rs. 39.50 lakhs), CSR expense (Rs. 79.08 lakhs), This was offset by reduction in photography related expenses of Rs. 172.87 lakhs and Other expenses (Rs. 6.60 lakhs). In Q2 of FY20, the company decided to scale down the photography business and look at a revised market-place model, thereby reducing the photography expenses. Overall, as a % of revenue it has remained stable at 15.0%.

**INDAS116 impact:** Effective April 1, 2019, the Company has adopted Ind-AS 116 “Leases” and applied to all lease contracts existing on April 1, 2018 (transition date) using the full retrospective method and has taken the cumulative adjustment to retained earnings on the transition date. Comparatives for the year ended March 31, 2019 have been retrospectively adjusted to reflect the adoption of Ind-AS 116. The effect on profit after tax is Rs. 66.87 lakhs for the year ended March 31, 2019.

**Finance income:** The increase is mainly because of additional investments of surplus funds in fixed deposits and mutual funds. Our pre-tax yield on investments is at 7.4%.

**Finance cost:** Finance cost increase is attributable to notional interest on lease liabilities charged to PL as per Ind-AS 116 as overdraft facilities utilization was insignificant during the year.

**Effective Tax Rate (ETR):** The effective tax rate is at 24.4% as compared to 27.4% in FY19. During the year, the company adopted to exercise the option permitted under Section 115BA of the Income Tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance 2019.

**Profitability:** Our PBT margins in FY20 are at 10.5% as compared to 16.7% in FY19. The decline is mainly due to increased marketing expenses as mentioned above. Excluding marketing expenses, our PBT margins are stable. Our PAT margins in FY20 are at 7.9% as compared to 12.1% in FY19.





## Segment performance

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

Revenue	FY 2019-20 (Rs. lakhs)	FY 2018-19 (Rs. lakhs)
Matchmaking Services	36,044.35	33,577.77
Marriage Services*	1,139.18	1,264.98

EBITDA	FY 2019-20 (Rs. lakhs)	FY 2018-19 (Rs. lakhs)
Matchmaking Services	8,421.52	10,129.28
Marriage Services*	(1,699.37)	(1,354.07)

\*In Q2 of FY20, the company decided to scale down the photography business and look at a revised market-place model, thereby reducing the photography expenses. Also the company decided not to take any further orders. This has impacted the revenue in Q3 and Q4 of FY20.

## Key ratios

The company has identified the following ratios as key ratios:

	FY 2020	FY 2019
EBITDA margin	15.0%	21.7%
Net profit margin	7.9%	12.1%
Return on Net worth	13.7%	22.9%

## Cash flows

The company generated Rs. 5,708.41 lakhs of cash during the year taking the cash balance at 31 March 2020 to Rs. 23,503.03 lakhs. The company spent Rs. 1,151.81 lakhs as capital expenditure during the year. The EBITDA to operating cash flow conversion has been strong at 1.02 times and EBITDA to free cash flow is at 0.81 times.

## Headcount

The total number of employees as at 31 March 2020 is at 4,316 as compared to 4,410 as at 31 March 2019

## 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. If not for COVID-19, we would have achieved Rs. 100 Cr+ billings in Q4 FY20 and demonstrated a double-digit growth on q/q and y/y basis. This would have also held us in good stead in FY21 with a double-digit growth run rate. We fell short of this number and achieved Rs. 94.7 Cr of billing in Q4. However, with our focused efforts towards business continuity, we were able to prioritize employee well-being and safety and achieve close to 100% work from home for our people. This has minimized the billing impact. Since the duration and magnitude of COVID-19 is still uncertain, this will impact the company's original growth plans for FY21. The company will continue to assess and monitor the situation and update accordingly. The marriage

services business is expected to have a higher impact due to lower consumer demand and the scale of weddings that will take place in the future. The company is taking measures to minimize this impact. The company's strong balance sheet along with cost optimization measures, a strong leadership team and dedicated Associates will help the company to invest in the right areas in FY21, keeping a long-term perspective in mind.

### The key strategic initiatives in FY 2021 are

- Capitalize on our dominance in South and East markets and continue to focus in the North and West markets through intelligent segmentation and interventions
- Deep dive into the Top communities and enhance relevance
- Provide focus to Assisted and Elite services by enhancing customer service and experience levels
- Evaluate the needs of vernacular users and explore providing a vernacular product
- Evaluate entry into certain global markets
- Continue to Invest in differentiated product offerings and emerging technologies to bring in sharper customer focus

### 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 & Governance Committee of the Board of Directors to identify/ monitor key risks of the Company and evaluate the management of such risks for effective mitigation. Review of the risks and related mitigation plans across the Company will form part of the agenda for the meetings of the Committee. The framework for risk management comprises risk identification, risk assessment, risk treatment and Monitoring. The company has classified the risks into Strategic, Operational, Financial and Compliance risks.

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

Nature of Risk	Risk Description	Risk Mitigation
Business risk	Business can be affected due to the current uncertainty around COVID-19, its duration and magnitude	We have enabled seamless business continuity through technology changes to address employee well-being, facilitate Work from Home and relevant monitoring. This will minimize the impact on business. Other measures such as cost reduction / optimization across all expense categories will also aid us to ensure stability in profitability. However, we expect our marriage services business to have a significant impact due to curtailed consumer interactions. We will monitor the situation and accordingly reduce the losses on this business by having a lean structure.
Competition landscape	Competition can significantly affect our pricing, business models and product features and including new players	As part of our strategy we are implementing many measures around profile growth, enhancing marketing effectiveness and increasing value proposition to our customers by intelligent segmentation. 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 also believe that the dating landscape will not pose any major threat for now, but we need to monitor the segment closely. In FY20, we also conducted a market research. We are working on addressing the outcomes of the study that will improve brand recall and perception.



Nature of Risk	Risk Description	Risk Mitigation
Compliance risks	Regulations keep changing and adherence to laws is a challenge to any company today	Periodic audits and tracking help us to keep pace with new regulations and compliance. We have also strengthened this area through implementation of a comprehensive compliance related tool.
IT Related Risks	Network failure can impact revenue, customer data leakage can cause issues, absence of proper back up and disaster recovery plans can have operational impact, misuse of assets.	Periodic audits through internal audit mechanism helps us to detect and pro-actively put in measures in place. Access related control, authorized access, asset tracking, customer information encryptions and mechanisms for Denial of service attacks help us control these risks. We 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 all our employees are working from home due to the current COVID-19 situation.

Corporate  
Overview

Statutory  
Reports

Management Discussion  
& Analysis Report

Business Responsibility  
Report

Financial Statements  
Standalone

Financial Statements  
Consolidated

# 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, 10 <sup>th</sup> Floor, MRC Nagar, Mandaveli, Chennai – 600028			
4	Website	<a href="http://www.matrimony.com">www.matrimony.com</a>			
5	E-mail id	<a href="mailto:investors@matrimony.com">investors@matrimony.com</a>			
6	Financial Year reported	2019-20			
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	167 locations inclusive of head office, 18 branch offices and 148 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. 1,138.31
2	Total Turnover - Rs. In lakhs	Rs. 36,711.69
3	Total profit after taxes - Rs. In lakhs	Rs. 2,867.76
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	3.26% Refer Directors report page no. 31-35 for further details
5	List of activities in which expenditure in 4 above has been incurred	Refer page no 31-35 of the Directors report

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has three wholly 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)	Matrimony defines the code of conduct of business ethics which is applicable for 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	<a href="mailto:compliance@matrimony.com">compliance@matrimony.com</a>

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.

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

[illegible]



(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](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 14 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 7 complaints has been received from Shareholders for non-receipt of annual reports 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: 4316
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. 104
- Please indicate the Number of permanent women employees. : 2245
- Please indicate the Number of permanent employees with disabilities: 5
- 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	10	-
3	Discriminatory employment	-	-

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

The Company has institutionalized learning and development processes to create right proficiencies across levels and help employees progress in their career. The learning and development needs are recognized through various processes which include Company's vision and mission, competency frameworks and training needs identified through performance management system. Safety of employees is of utmost importance to the Company and in this regard, mock drills are conducted in addition to periodic communication and alerts that are sent to employees on safety related aspects. In addition, Company imparted training to all the employees of the organisation on Prevention of Sexual Harassment at Workplace and conducted a session for all the managers to train them on their action, as and when someone from their team report any such act of sexual harassment. All new employees undergo mandatory induction/orientation programme,

named as "Shubarambh". Employees at junior, mid and senior levels undergo need-based trainings apart from functional skill programmes. Senior level employees participate in the leadership re-treat, held annually.

(a)	Permanent Employees	80%
(b)	Permanent Women Employees	80%
(c)	Casual/Temporary/Contractual Employees	80%
(d)	Employees with Disabilities	90%

**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 and voice recordings of such 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, 2020. The company received 10 sexual harassment complaints 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 imbuing 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:

- i. Replacement of conventional lights to LED lights in the offices across all the locations.
- ii. Automatic server and desktop shutdown, to reduce consumption of energy, in addition to constant mailers to remind & encourage energy saving.
- iii. Initiatives to reduce usage of paper and consumption and promotion of recycle.
- iv. Responsible e-waste disposal.
- v. Usage of Video Conferences, Video/ Audio chatting to reduce emissions as a result of travel.
- vi. 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 filed?

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, 2020

#### **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 annexed as Annexure to 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?

Impact assessment will be undertaken in due course as the provisions are made applicable recently.

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

The Company has earmarked Rs. 93.49 lakhs towards various CSR initiatives during the year 2019-20. For detailed information relating to list of activities in which expenditure above has been incurred, please refer the Annual Report on CSR Activities annexed as Annexure to 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. However, there are 13 Consumer cases pending at the end of the financial year.



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, 2020, 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, 2020, 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, 2020. 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
<b>(a) Accuracy and completeness of Matchmaking Revenue</b> <i>(as described in Note 2.2 (h) of the Standalone Ind-AS financial statements)</i>	
<p>Matchmaking services revenues of the Company for the year ended March 31, 2020 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.</p> <p>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.</p> <p>Therefore, we considered this risk to be a key audit matter in our audit of the financial statements for the year ended March 31, 2020.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>Involved IT specialists to test relevant IT general controls, application controls and appropriateness of system generated reports;</li> <li>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;</li> <li>Tested the completeness and accuracy of the data extracted from the aforesaid systems and performed re-calculation to verify the appropriateness of revenue recognized (including cut off procedures) on a test basis;</li> <li>Tests of details for the sample revenue transactions;</li> <li>Assessed the reconciliation of unearned revenue and collections performed by the management and performed sample tests on the same;</li> <li>Read the accounting policies for revenue recognition in the financial statements;</li> <li>Performed analytical procedures over disaggregated data of revenue transactions during the audit period to identify any unusual trends / patterns warranting additional audit procedures; and</li> <li>Read the disclosures made by the management in the financial statements.</li> </ul>
<b>(b) Impact of adopting Ind-AS 116 - Leases</b> <i>(as described in Note 2.3 (a) of the Standalone Ind-AS financial statements)</i>	
<p>Ind-AS 116 has replaced the current guidance in Ind-AS 17, 'Leases'. Ind-AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. The Company has adopted Ind-AS 116 Leases from 1<sup>st</sup> April 2019, which introduces a new lease accounting model, where lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet.</p> <p>The Company has applied Ind-AS 116 in the preparation of the accompanying financial statements, using the full retrospective approach. Therefore, the cumulative effect of adopting Ind-AS 116 is recognised as an adjustment to the opening balance of equity at 1<sup>st</sup> April 2018, with restatement of comparative information, as more fully described in Note 2.3 (a) to the financial statements.</p> <p>Significant judgement is required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include assessment of lease term (including the possibility of exercise of renewal options), and the application of appropriate discount rates during the relevant periods.</p> <p>The impact on adoption of Ind-AS 116 is material to the balance sheet of the Company and, accordingly, is an area of key focus for our audit.</p>	<p>Our audit procedures in this regard included the following:</p> <ul style="list-style-type: none"> <li>We understood the Company's processes to identify lease contracts, from our discussions with management and reading of internally prepared memoranda;</li> <li>We assessed the design, implementation and operating effectiveness of management's key internal controls over accounting of leases as per the requirements of Ind-AS 116;</li> <li>We read a sample of contracts to assess management's identification of leases and their critical contractual terms;</li> <li>We obtained the Company's calculation of right-of-use assets and lease liabilities. For a sample of leases, we tested the inputs used in the quantification to the lease agreements including renewal / cancellation terms, discount rate applied, and performed re-computations as required;</li> <li>We verified the completeness of the lease database used by comparing it with the list of "operating leases" identified under the previously applicable standard and reviewing the residual lease expenses (if any);</li> <li>We assessed the compliance of the accounting treatment with the requirements of accounting principles generally accepted in India; and</li> <li>We read the associated disclosures in the accompanying Standalone Ind-AS financial statements.</li> </ul>



## 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, 2020 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind-AS financial statements – Refer Note 38 (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: 20221268AAAAAQ8212

Place: Chennai

Date: May 20, 2020

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**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 fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to one subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.  
  
(b) The Company has granted loans to one subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.  
  
(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, 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 from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) 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 service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delays in case of remittance of 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)

\* 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 20, 2020



## 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, 2020 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, 2020, 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 20, 2020



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# Standalone Balance Sheet

as at March 31, 2020

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

	Notes	As at March 31, 2020	As at March 31, 2019 (Restated)*	As at April 1, 2018 (Restated)*
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	7,283.89	7,255.97	6,245.14
Right of use assets		5,689.99	4,789.12	3,730.88
Intangible assets	3	327.94	305.58	515.61
Intangible assets under development		6.62	4.74	2.37
Investment in subsidiaries and associate	4	626.05	11.62	1.45
Financial assets				
(a) Security deposits	5	852.35	810.21	1,010.09
(b) Bank balances other than cash and cash equivalents	7	0.75	0.75	0.75
Deferred tax assets (net)	15	181.10	374.11	433.04
Income tax assets (net)		344.86	305.58	351.74
Other non-current assets	13	149.08	102.08	133.20
		<b>15,462.63</b>	<b>13,959.76</b>	<b>12,424.27</b>
<b>Current assets</b>				
Financial assets				
(a) Security deposits	5	199.60	280.03	155.04
(b) Cash and cash equivalents	6	198.33	315.49	1,303.60
(c) Bank balances other than cash and cash equivalents	7	11,014.03	6,217.37	8,112.45
(d) Investments	11	12,035.03	13,675.01	7,372.85
(e) Trade receivables	12	216.79	350.29	528.26
(f) Loan to subsidiaries	8	-	55.78	-
(g) Derivative instruments	9	-	54.22	-
(h) Other financial assets	10	458.70	366.82	251.95
Other current assets	14	473.99	579.76	430.66
Assets held for sale	3(b)	-	-	-
		<b>24,596.47</b>	<b>21,894.77</b>	<b>18,154.81</b>
<b>TOTAL ASSETS</b>		<b>40,059.10</b>	<b>35,854.53</b>	<b>30,579.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	16	1,138.31	1,136.47	1,135.55
Other equity	17			
(a) Securities premium account		12,594.90	12,539.84	12,502.66
(b) Retained earnings		8,669.24	6,272.98	3,221.71
(c) Share based payment reserve		164.49	112.44	87.24
(d) Cash flow hedge reserve		-	35.27	-
<b>TOTAL EQUITY</b>	<b>A</b>	<b>22,566.94</b>	<b>20,097.00</b>	<b>16,947.16</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(a) Lease liabilities	20	4,632.95	4,127.31	2,849.56
Other non-current liabilities	21	14.54	38.10	30.31
Provisions	22	-	-	39.64
		<b>4,647.49</b>	<b>4,165.41</b>	<b>2,919.51</b>
<b>Current liabilities</b>				
Financial liabilities				
(a) Borrowings	18	-	-	641.47
(b) Trade payables	19(a)			
(i) Total outstanding dues of micro enterprises and small enterprises		3.95	2.95	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,033.28	2,083.36	1,706.21
(c) Other payables	19(b)	206.89	44.63	45.27
(d) Lease liabilities	20	1,486.31	1,067.22	1,204.01
Other current liabilities	21	7,324.06	7,787.86	6,569.24
Provisions	22	744.69	606.10	468.41
Liabilities for current tax (net)		45.49	-	77.80
		<b>12,844.67</b>	<b>11,592.12</b>	<b>10,712.41</b>
<b>TOTAL LIABILITIES</b>	<b>B</b>	<b>17,492.16</b>	<b>15,757.53</b>	<b>13,631.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(A+B)</b>	<b>40,059.10</b>	<b>35,854.53</b>	<b>30,579.08</b>

Summary of significant accounting policies

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

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

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 20, 2020



**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 20, 2020

**S Vijayanand**

Company Secretary

Place: Chennai

Date : May 20, 2020

# Standalone Statement of Profit and Loss

for the year ended March 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
Revenue from contracts with customers	23	36,711.69	33,977.19
Finance income	24	1,634.05	1,395.45
Other income	25	337.95	175.28
<b>Total income</b>		<b>38,683.69</b>	<b>35,547.92</b>
<b>Expenses</b>			
Employee benefits expense	26	15,213.51	14,093.58
Advertisement and business promotion expenses	29	10,821.92	8,122.39
Other expenses	30	5,507.90	5,142.59
Depreciation and amortisation expense	27	2,792.47	2,648.39
Finance costs	28	523.55	484.32
<b>Total expenses</b>		<b>34,859.35</b>	<b>30,491.27</b>
<b>Profit before tax</b>		<b>3,824.34</b>	<b>5,056.65</b>
<b>Tax expense</b>	31		
- Current income tax		784.39	1,497.47
- Current tax relating to earlier years		(39.75)	6.81
- Deferred tax (net)		211.94	29.05
<b>Total tax expense</b>		<b>956.58</b>	<b>1,533.33</b>
<b>Profit for the year (I)</b>		<b>2,867.76</b>	<b>3,523.32</b>
<b>Other comprehensive income:</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain / (loss) on defined benefit obligations	32	(92.09)	(95.58)
Income tax effect		23.18	33.40
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)</b>		<b>(68.91)</b>	<b>(62.18)</b>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedge reserve		(54.22)	54.22
Income tax effect		18.95	(18.95)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)</b>		<b>(35.27)</b>	<b>35.27</b>
<b>Other comprehensive income for the year, net of tax (A+B) (II)</b>		<b>(104.18)</b>	<b>(26.91)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>2,763.58</b>	<b>3,496.41</b>
Earnings per share of INR 5 each			
Basic earnings per share		12.61	15.50
Diluted earnings per share		12.57	15.43

Summary of significant accounting policies 2.1

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

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

As per our report of even date.

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

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

Place: Chennai

Date : May 20, 2020

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

Place: Chennai

Date : May 20, 2020

S Vijayanand

Company Secretary

Place: Chennai

Date : May 20, 2020



# Standalone Statement of Changes in Equity

for the year ended March 31, 2020

(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
<b>As at April 1, 2018</b>	22,710,911	1,135.55
Issue of equity shares (Note 16)	18,445	0.92
<b>As at March 31, 2019</b>	22,729,356	1,136.47
Issue of equity shares (Note 16)	36,817	1.84
<b>As at March 31, 2020</b>	<b>22,766,173</b>	<b>1,138.31</b>

## b. Other equity

For the year ended March 31, 2020

Particulars	Securities premium reserve (Note 17)	Retained earnings (Note 17)	Share-based payment reserve (Note 17)	Cash flow hedge reserve (Note 17)	Total other equity
<b>As at April 1, 2019 (Restated)*</b>	<b>12,539.84</b>	<b>6,272.98</b>	<b>112.44</b>	<b>35.27</b>	<b>18,960.53</b>
Profit for the year	-	2,867.76	-	-	2,867.76
Other comprehensive income (Note 32)	-	(68.91)	-	(35.27)	(104.18)
<b>Total comprehensive income</b>	<b>-</b>	<b>2,798.85</b>	<b>-</b>	<b>(35.27)</b>	<b>2,763.58</b>
Exercise of share options (Note 36)	55.06	-	(17.13)	-	37.93
Share based payment expenses (Note 26)	-	-	77.70	-	77.70
Transferred from share-based payment reserve upon lapse of vested stock options	-	8.52	(8.52)	-	-
Cash dividends (including dividend distribution tax)	-	(411.11)	-	-	(411.11)
<b>As at March 31, 2020</b>	<b>12,594.90</b>	<b>8,669.24</b>	<b>164.49</b>	<b>-</b>	<b>21,428.63</b>

For the year ended March 31, 2019 (Restated)\*

Particulars	Securities premium reserve (Note 17)	Retained earnings (Note 17)	Share-based payment reserve (Note 17)	Cash flow hedge reserve (Note 17)	Total other equity
<b>As at April 1, 2018</b>	<b>12,502.66</b>	<b>3,592.72</b>	<b>87.24</b>	<b>-</b>	<b>16,182.62</b>
Effect of adoption of Ind-AS 116 "Lease" (Refer Note 2.3 (a))	-	(371.01)	-	-	(371.01)
<b>As at April 1, 2018 (Restated)*</b>	<b>12,502.66</b>	<b>3,221.71</b>	<b>87.24</b>	<b>-</b>	<b>15,811.61</b>
Profit for the year	-	3,523.32	-	-	3,523.32
Other comprehensive income (Note 32)	-	(62.18)	-	35.27	(26.91)
<b>Total comprehensive income</b>	<b>-</b>	<b>3,461.14</b>	<b>-</b>	<b>35.27</b>	<b>3,496.41</b>
Exercise of share options (Note 36)	37.18	-	(10.91)	-	26.27
Share based payment expenses (Note 26)	-	-	37.16	-	37.16
Transferred from share-based payment reserve upon lapse of vested stock options	-	1.05	(1.05)	-	-
Cash dividends (including dividend distribution tax)	-	(410.92)	-	-	(410.92)
<b>As at March 31, 2019 (Restated)*</b>	<b>12,539.84</b>	<b>6,272.98</b>	<b>112.44</b>	<b>35.27</b>	<b>18,960.53</b>

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

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

As per our report of even date.

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

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

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Aravind K**

Partner

Membership No: 221268

Place: Chennai

Date : May 20, 2020

**Murugavel Janakiraman**

Chairman & Managing Director

DIN: 00605009

**Sushanth S Pai**

Chief Financial Officer

Place: Chennai

Date : May 20, 2020

**S Vijayanand**

Company Secretary

Place: Chennai

Date : May 20, 2020



# Standalone Statement of Cash flows

for the year ended March 31, 2020

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

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>Cash flow from / (used in) operating activities</b>			
Profit before tax		3,824.34	5,056.65
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortisation expense	27	2,792.47	2,648.39
Dividend received from subsidiary	25	(169.66)	-
Impact of fair value changes of interest free security deposits (net)	24	(66.44)	(65.12)
Reversal of excess interest provision on income tax		-	(3.62)
(Profit) / Loss on sale / write-off of property, plant and equipment (net)		(4.38)	7.35
Unrealised foreign exchange (gain) / loss		(0.24)	2.56
Impairment of financial assets	30	105.42	79.46
Impairment loss on asset held for sale	30	65.44	-
Share based payment expenses	26	77.70	37.16
Provision for litigation		112.68	-
Liabilities no longer required written back	25	(0.38)	(25.00)
Interest expense	28	512.63	479.76
Fair value (gain) / loss on mutual fund investments at fair value through profit / loss	24	(981.41)	(723.98)
Interest income	24	(586.19)	(606.35)
<b>Operating profit / (loss) before working capital changes</b>		<b>5,681.98</b>	<b>6,887.26</b>
<b>Movement in working capital :</b>			
(Increase) / decrease in financial assets		6.98	154.02
(Increase) / decrease in other assets		65.59	(117.98)
Increase / (decrease) in trade payables		949.31	379.01
Increase / (decrease) other liabilities		(486.99)	1,251.41
Increase / (decrease) in long / short term provisions		(66.18)	2.47
<b>Cash generated from / (used in) operations</b>		<b>6,150.69</b>	<b>8,556.19</b>
Income taxes paid (net of refunds)		(715.24)	(1,487.96)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>5,435.45</b>	<b>7,068.23</b>
<b>Cash flow from / (used in) investing activities</b>			
Purchase of property, plant and equipment including intangible assets		(1,151.69)	(1,921.93)
Proceeds from sale of property, plant and equipment		18.36	5.14
Dividend received from subsidiary		169.66	-
Investment in subsidiaries and associate		(614.43)	(10.17)
Loan (given to) / realised from subsidiary		56.91	(53.65)
Proceeds from sales of mutual funds		11,271.39	8,171.82
Purchase of mutual funds		(8,650.00)	(13,750.00)
Interest received		500.00	490.20
Redemption of bank deposits (with maturity more than three months)		6,217.37	8,112.45
Investment in bank deposits (with maturity more than three months)		(11,014.03)	(6,217.37)
<b>Net cash flow / (used in) investing activities (B)</b>		<b>(3,196.46)</b>	<b>(5,173.51)</b>
<b>Cash flows from / (used in) financing activities</b>			
Proceeds from issue of share capital (including securities premium)		39.77	27.17
Dividend paid (Including dividend distribution tax)		(411.11)	(410.92)
Receipt / (repayment) of borrowings (net)		-	(641.47)
Payment of principal portion of lease liabilities		(1,472.58)	(1,376.40)
Interest paid		(512.63)	(479.73)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(2,356.55)</b>	<b>(2,881.35)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(117.56)</b>	<b>(986.63)</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency		0.40	(1.48)
Cash and cash equivalents at the beginning of the year		315.49	1,303.60
<b>Cash and cash equivalents at the end of the year (refer note 6)</b>		<b>198.33</b>	<b>315.49</b>

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

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

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 20, 2020

## 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 20, 2020

## S Vijayanand

Company Secretary

Place: Chennai  
Date : May 20, 2020

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# Notes to the standalone financial statements

for the year ended March 31, 2020

## 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 & Mbazaar, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Company also provides photography and videography services to the customers in Tamil Nadu, Kerala, Karnataka and Telangana. The sources are primarily lead obtained from wedding card printers, profiles which are matched and referrals.

On September 21, 2017, the Company listed its equity shares with National Stock Exchange of India Limited and BSE Limited. The registered office of the Company is located at No: 94, TVH Belicia Towers, Tower II, 10<sup>th</sup> Floor, MRC Nagar, Mandaveli, Chennai - 600 028.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 20, 2020.

## 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. An additional balance sheet as at 1<sup>st</sup> April 2018 is presented in these standalone financial statements due to the retrospective application of accounting policies as a result of the adoption of Ind-AS 116 Leases. See Note 2.3 (a).

### 2.2. Summary of significant accounting policies

#### a) Current versus non-current classification

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

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or



# Notes to the standalone financial statements

for the year ended March 31, 2020

- 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.

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

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

## c) Intangible assets

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

# Notes to the standalone financial statements

for the year ended March 31, 2020

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.

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.



# Notes to the standalone financial statements

for the year ended March 31, 2020

## 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	11 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.

### 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.

# Notes to the standalone financial statements

for the year ended March 31, 2020

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.

### *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.





# Notes to the standalone financial statements

for the year ended March 31, 2020

## 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).

### 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

# Notes to the standalone financial statements

for the year ended March 31, 2020

the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

## k) Government Grants

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

## l) Taxes

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

### Current income tax

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

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

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

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

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

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

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

## m) Share based payments

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

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

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

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

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

## n) Provisions

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

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

## o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation

## Notes to the standalone financial statements

for the year ended March 31, 2020

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
- 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.



# Notes to the standalone financial statements

for the year ended March 31, 2020

## 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.

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

# Notes to the standalone financial statements

for the year ended March 31, 2020

(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.

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



# Notes to the standalone financial statements

## for the year ended March 31, 2020

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.

#### 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

# Notes to the standalone financial statements

for the year ended March 31, 2020

costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

## De-recognition

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

## Offsetting of financial instruments

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

## r) Derivative financial instruments and hedge accounting

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

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

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

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

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

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. Refer to Note 43 for more details.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the





# Notes to the standalone financial statements

for the year ended March 31, 2020

cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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

## s) Cash and cash equivalents

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

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

## t) Earnings per share

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

## u) Segment reporting

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

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

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

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

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

# Notes to the standalone financial statements

for the year ended March 31, 2020

## w) 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.

## x) 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.

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.

## 2.3 Changes in accounting policies and disclosures

### New and amended standards

The Company applied Ind-AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.



# Notes to the standalone financial statements

for the year ended March 31, 2020

## a) Ind-AS 116 Leases

Ind-AS 116 was effective for annual periods beginning on or after 1<sup>st</sup> April 2019 and supersedes Ind-AS 17 Leases including its appendices (Appendix C of Ind-AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind-AS 17 Operating Leases-Incentives and Appendix B of Ind-AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Effective April 1, 2019, the Company has adopted Ind-AS 116 "Leases" and applied it to all lease contracts existing on April 1, 2018 (transition date) using the Full retrospective method and has taken the cumulative adjustment to retained earnings, on the transition date. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate for different periods and the right of use asset at its amortised value as if the standard had already been effective at the commencement date of the respective leases. Comparative for the year ended March 31, 2019 has been retrospectively restated to reflect the adoption of Ind-AS 116.

**The effect of adoption of Ind-AS 116 is as follows:**

**Impact on standalone balance sheet (increase / (decrease)):**

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>ASSETS</b>			
Right of use asset	5,689.99	4,789.12	3,730.88
Other non-current assets	(266.04)	(216.12)	(200.75)
Deferred tax assets (net)	179.77	183.65	152.43
<b>Total Assets</b>	<b>5,603.72</b>	<b>4,756.65</b>	<b>3,682.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained earnings	(515.54)	(437.88)	(371.01)
<b>Total equity</b>	<b>(515.54)</b>	<b>(437.88)</b>	<b>(371.01)</b>
<b>Liabilities</b>			
Lease liabilities	6,119.26	5,194.53	4,053.57
Total Liabilities	<b>6,119.26</b>	<b>5,194.53</b>	<b>4,053.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,603.71</b>	<b>4,756.65</b>	<b>3,682.56</b>

# Notes to the standalone financial statements

for the year ended March 31, 2020

## Impact on statement of profit and loss (increase/(decrease) in profit):

	Year ended March 31, 2020	Year ended March 31, 2019
Other expenses	(2,050.44)	(1,921.07)
Depreciation and amortisation expense	1,615.29	1,542.76
Finance costs	509.07	476.40
Tax expense	(21.03)	(31.22)
<b>Profit for the period</b>	<b>(52.89)</b>	<b>(66.87)</b>

## Attributable to:

- Equity holders of the parent	(52.89)	(66.87)
- Non-controlling interests	-	-

## Impact on standalone statement of cash flows (increase/(decrease):

	Year ended March 31, 2020	Year ended March 31, 2019
Operating lease payments*	1,981.64	1,852.80
<b>Net cash flows from operating activities</b>	<b>1,981.64</b>	<b>1,852.80</b>
Payment of principal portion of lease liabilities	(1,472.58)	(1,376.40)
Payment of interest portion of lease liabilities	(509.07)	(476.40)
<b>Net cash flows from financing activities</b>	<b>(1,981.64)</b>	<b>(1,852.80)</b>

\*Composed of different line items in the indirect reconciliation of operating cash flows

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

Upon adoption of Ind-AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## As at April 1, 2018, March 31, 2019 and March 31, 2020:

- 'Right-of-use assets' were recognised and presented separately in the balance sheet. Lease assets recognised previously under finance leases, which were included under 'Property, plant and equipment', were derecognised.
- Additional lease liabilities were recognised and presented under Financial liabilities
- 'Prepayments' and 'Trade and other payables' related to previous operating leases were derecognised.
- 'Deferred tax liabilities' decreased because of the deferred tax impact of the changes in recognised lease related assets and liabilities.
- 'Retained earnings' and 'Non-controlling interests' decreased due to the net impact of these adjustments.



# Notes to the standalone financial statements

for the year ended March 31, 2020

## For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increase in Depreciation and Amortization Expenses of Rs. 1,615.29 lakhs (March 2019: Rs. 1,542.76 lakhs)
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased by Rs. 2,050.44 lakhs (March 2019 Rs. 1,921.07 lakhs)
- 'Finance costs' increased by Rs. 509.07 lakhs (March 2019: Rs. 476.40 lakhs) relating to the interest expense on additional lease liabilities recognised.
- 'Deferred tax expense' decreased by Rs. 21.03 lakhs (March 2019: Rs. 31.22 lakhs) relating to the tax effect of these changes in expenses.
- Cash outflows from operating activities decreased by Rs. 1,981.64 lakhs (March 2019: Rs. 1,852.80 lakhs) and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

## b) Appendix C to Ind-AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind-AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind-AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind-AS 12, the Company considered whether it has any uncertain tax positions. The Company determined that the Appendix did not have an impact on the standalone financial statements.

## c) Amendments to Ind-AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1<sup>st</sup> April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the financial statements.

**d) Amendments to Ind-AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1<sup>st</sup> April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the financial statements.



# Notes to the standalone financial statements for the year ended March 31, 2020

(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, 2018	2,248.71	382.42	85.96	157.54	231.45	4,359.66	99.35	7,565.09	276.19	17.61	850.77	1,144.57
Additions	1,441.78	84.04	42.80	287.55	-	-	-	1,856.17	40.13	-	22.62	62.75
Disposals	(40.72)	(29.36)	(32.03)	(29.52)	(11.03)	-	-	(142.66)	-	-	-	-
As at March 31, 2019	3,649.77	437.10	96.73	415.57	220.42	4,359.66	99.35	9,278.60	316.32	17.61	873.39	1,207.32
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	-	-	-	-	(169.89)	-	-	(169.89)	-	-	-	-
(refer note b)												
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
Depreciation/Amortisation as at April 1, 2018	878.23	179.95	50.15	118.29	62.85	-	30.48	1,319.95	67.59	11.62	549.75	628.96
Charge for the year	586.31	90.40	38.49	53.54	48.90	-	15.21	832.85	79.08	1.45	192.25	272.78
Disposals	(39.67)	(27.56)	(31.76)	(23.51)	(7.67)	-	-	(130.17)	-	-	-	-
Depreciation/Amortisation as at March 31, 2019	1,424.87	242.79	56.88	148.32	104.08	-	45.69	2,022.63	146.67	13.07	742.00	901.74
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	-	-	-	-	(104.45)	-	-	(104.45)	-	-	-	-
(refer note b)												
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
Net Block												
As at April 1, 2018	1,370.48	202.47	35.81	39.25	168.60	4,359.66	68.87	6,245.14	208.60	5.99	301.02	515.61
As at March 31, 2019	2,224.90	194.31	39.85	267.25	116.34	4,359.66	53.66	7,255.97	169.65	4.54	131.39	305.58
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
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
(refer note b)												

(a) The amount of borrowing costs capitalised during the year ended March 31, 2020 was Rs. Nil (March 31, 2019: Rs. Nil, April 1, 2018: Rs. Nil).

(b) As at March 31, 2020, 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. These assets are available for immediate sale in its present condition and management is committed to sell these assets. Accordingly, management has classified these assets as assets held for sale. Management is evaluating opportunities to monetise these assets. However, due to COVID-19 pandemic, there is uncertainty in determining the recoverable amount as well as uncertainties in the timing of such sales in order to monetise the same. Further, in the current lockdown situation, management is also not able to obtain quotations from parties for sale of these assets without physical inspection etc., Accordingly, 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.

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
<b>4 Non Current Investments</b>		
<b>In subsidiaries (at cost)</b>		
Sys India Private Limited	1.00	1.00
- 99,900 (March 31, 2019 - 99,900) equity shares of Re. 1 each fully paid up		
Consim Info USA Inc., USA	0.45	0.45
- 1,000 (March 31, 2019 - 1,000) equity shares of USD 1 each fully paid up		
Matrimony DMCC, Dubai	10.17	10.17
- 50,000 (March 31, 2019 - 50,000) equity shares of AED 1 each fully paid up		
<b>In Associate (at cost)</b>		
Astro Vision Futuretech Private Limited*	614.43	-
- 3,341 (March 31, 2019 - Nil) equity shares of Rs. 10 each fully paid up		
	<b>626.05</b>	<b>11.62</b>
<p>* During the year, 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.</p>		
<b>5 Security deposits</b>		
<b>(at amortised cost)</b>		
<b>Non-current</b>		
Security deposits		
- Considered good	852.35	810.21
- Considered doubtful	15.66	22.90
	868.01	833.11
Less: impairment allowance on deposits	15.66	22.90
	<b>852.35</b>	<b>810.21</b>
<b>Current</b>		
Security deposits		
- Considered good	199.60	280.03
	<b>1,051.95</b>	<b>1,090.24</b>
<b>6 Cash and cash equivalents</b>		
Balances with banks on current accounts	161.32	261.97
Cheques on hand	3.58	15.44
Cash on hand	33.43	38.08
	<b>198.33</b>	<b>315.49</b>





# Notes to the standalone financial statements

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
<b>7 Bank balances other than cash and cash equivalents</b>		
<b>(at amortised cost)</b>		
<b>Non-current</b>		
Deposits with original maturity of more than 12 months	0.75	0.75
<b>Current</b>		
Deposits with original maturity of more than 3 months but less than 12 months *	11,014.03	6,217.37
*The Company has pledged Rs.1,000 lakhs as on March 31, 2020 (Rs. 1,000.00 lakhs as on March 31, 2019) of its deposits to fulfil collateral requirements relating to the overdraft facility with HDFC bank which is repayable on demand.		
<b>8 Loan to subsidiary</b>		
<b>(at amortised cost)</b>		
Loan to Matrimony DMCC*	-	55.78
*The Company had granted 10% interest bearing unsecured loan of 2,85,000 AED to its subsidiary to carry out the principal business operations during the year ended March 31, 2019. The same was repayable with accrued interest on or before October 31, 2019. The entire loan dues along with interest has been repaid by the subsidiary and there are no dues as on March 31, 2020.		
<b>9 Derivative instruments</b>		
<b>(at fair value)</b>		
Cash flow hedges - Foreign exchange forward contracts	-	54.22
<b>10 Other financial assets</b>		
<b>(at amortised cost)</b>		
Interest accrued on fixed deposits	414.75	329.69
Loans to employees		
- Considered good	43.95	37.13
- Considered doubtful	3.91	3.87
	47.86	41.00
Less: impairment allowance	3.91	3.87
	43.95	37.13
	<b>458.70</b>	<b>366.82</b>

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
<b>11 Investments (at fair value through profit and loss)</b>		
<b>Investment in mutual funds</b>		
60,800.82 units (March 31, 2019: Nil units) Kotak Money Market Scheme Growth	2,006.62	-
67,913.25 units (March 31, 2019: Nil units) L&T ultra short term fund growth	22.19	-
7,89,460.25 units (March 31, 2019: 3,92,664.51 units) Aditya birla sun life money manager fund growth	2,124.86	982.75
5,609.66 units (March 31, 2019: 31,002.11 units) UTI liquid cash plan - IP growth	181.61	945.18
2,14,178.17 units (March 31, 2019: 2,14,178.17 units) ICICI prudential savings fund growth	829.62	768.00
65,58,355.77 units (March 31, 2019: 49,30,686.57 units) Kotak savings fund regular growth	2,104.81	1,477.22
34,835.13 units (March 31, 2019: 4,868.82 units) SBI magnum ultra short duration fund growth	1,549.54	201.81
45,526.67 units (March 31, 2019: 68,035.98 units) Tata liquid fund - direct plan - growth	1,425.89	2,003.28
14,443.97 units (March 31, 2019: 76,666.63 units) Invesco India liquid fund - direct plan - growth	394.07	1,972.20
63,614.43 units (March 31, 2019: 90,877.30 units) Axis liquid fund - growth	1,395.82	1,875.97
Nil units (March 31, 2019: 69,384.44 units) L&T liquid growth	-	1,771.11
Nil units (March 31, 2019: 16,423.83 units) HDFC liquid fund growth	-	600.93
Nil units (March 31, 2019: 2,46,706.31 units) Aditya birla sun life liquid fund growth	-	737.33
Nil units (March 31, 2019: 11,814.06 units) Tata treasury advantage fund direct growth	-	339.23
<b>Aggregate book value of unquoted current investments</b>	<b>12,035.03</b>	<b>13,675.01</b>
Aggregate amount of book value unquoted investments	12,035.03	13,675.01
Aggregate provision for impairment allowance in value of investments	-	-
Aggregate amount of fair value unquoted investments	12,035.03	13,675.01
<b>12 Trade receivables</b>		
<b>(unsecured and at amortised cost)</b>		
Trade receivables	108.14	255.15
Receivables from related parties (refer note 39)	108.65	95.14
	<b>216.79</b>	<b>350.29</b>
<b>Trade receivables</b>		
- Considered good	216.79	344.37
- Significant increase in credit risk	-	11.84
- Credit impaired	19.72	69.11
	<b>236.51</b>	<b>425.32</b>



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
<b>12 Trade receivables (Continued)</b>		
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
- Significant increase in credit risk	-	5.92
- Credit impaired	19.72	69.11
<b>Total current trade receivable</b>	<b>216.79</b>	<b>350.29</b>
No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.		
Trade receivables are non-interest bearing and are due immediately.		
For terms and conditions relating to related party receivables, refer note 39		

	As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>13 Other non-current assets</b>		
Capital advances	25.69	18.87
Prepaid expenses	13.59	14.13
Balances with Statutory / Government authorities	109.80	69.08
	<b>149.08</b>	<b>102.08</b>

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

	As at March 31, 2020	As at March 31, 2019
<b>14 Other current assets</b>		
Prepaid expenses	258.33	325.29
Balances with Statutory / Government authorities	188.76	116.39
Advances for supply and services	26.90	138.08
	<b>473.99</b>	<b>579.76</b>

	As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>15 Deferred tax assets (net)</b>		
Minimum alternative tax credit entitlement (MAT credit)	-	152.34
Less: Utilised during the year	-	152.34

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>15 Deferred tax assets (net) (Continued)</b>		
Deferred tax assets	388.50	416.48
Deferred tax liabilities	(207.40)	(42.37)
<b>Deferred tax asset (net)</b>	<b>181.10</b>	<b>374.11</b>
<b>Reconciliation of deferred tax asset (net)</b>		
Opening balance	374.11	433.04
Tax income / (expense) during the year in profit and loss*	(211.94)	78.96
Tax income / (expense) during the year in OCI	18.93	14.45
MAT credit entitlement for the year	-	(152.34)
<b>Closing balance</b>	<b>181.10</b>	<b>374.11</b>
<b>*Reconciliation of tax income / (expense) during the year in profit and loss</b>		
Tax income / (expense) during the year in Profit and Loss	(211.94)	(29.05)
MAT credit entitlement for the year	-	6.27
Tax income / (expense) relating to earlier years	-	101.74
	<b>(211.94)</b>	<b>78.96</b>

## Deferred tax relates to the following

Particulars	Balance sheet		Profit and Loss		OCI	
	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019
<b>Deferred tax liability</b>						
Impact of fair value gain on mutual funds at fair value through profit or loss	182.23	23.42	158.80	23.42	-	-
CSR donation made subsequent to the year-end which is eligible for deduction in the current year	25.17	-	25.17	-	-	-
Impact of unrealised gain on cash flow hedge	-	18.95	-	-	(18.95)	18.95
<b>Gross deferred tax liability</b>	<b>207.40</b>	<b>42.37</b>	<b>183.97</b>	<b>23.42</b>	<b>(18.95)</b>	<b>18.95</b>
<b>Deferred tax asset</b>						
Impact of opening lease liability recognised upon retrospective implementation of Ind-AS 116 "Lease"	179.78	183.65	(3.88)	31.22	-	-



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

Particulars	Balance sheet		Profit and Loss		OCI	
	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019
<b>15 Deferred tax assets (net) (Continued)</b>						
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	131.17	138.68	(7.50)	(40.81)	-	33.40
Impairment allowance (doubtful debts and advances)	5.95	27.57	(21.62)	(13.15)	-	-
Capital expenditure disallowed	5.06	-	5.06	-	-	-
Provision for deposits	3.94	8.00	(4.06)	3.24	-	-
Impact of difference between written down value of property, plant and equipment in books for financial reporting and tax books	62.34	58.20	4.14	121.88	-	-
Others Ind-AS adjustment	0.26	0.38	(0.11)	-	-	-
<b>Gross deferred tax asset</b>	<b>388.50</b>	<b>416.48</b>	<b>(27.97)</b>	<b>102.38</b>	<b>-</b>	<b>33.40</b>
<b>Net deferred tax asset / (deferred tax liability)</b>	<b>181.10</b>	<b>374.11</b>	<b>(211.94)</b>	<b>78.96</b>	<b>18.95</b>	<b>14.45</b>
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.						
* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.						

	As at March 31, 2020	As at March 31, 2019
<b>16 Share Capital</b>		
<b>Authorised shares</b>		
3,60,00,000 Equity shares of Rs.5/- each (March 31, 2019: 3,60,00,000 Equity shares of Rs.5/- each)	1,800.00	1,800.00
42,00,000 (March 31, 2019: 42,00,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each	210.00	210.00
<b>Issued, subscribed and fully paid-up equity shares</b>		
2,27,66,173 Equity shares of Rs.5/- each (March 31, 2019: 2,27,29,356 Equity shares of Rs.5/- each)	1,138.31	1,136.47
	<b>1,138.31</b>	<b>1,136.47</b>

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 16 Share Capital (Continued)

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

	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	22,729,356	1,136.47	22,710,911	1,135.55
Issued during the year - ESOP (refer note 36)	36,817	1.84	18,445	0.92
<b>Outstanding at the end of the year</b>	<b>22,766,173</b>	<b>1,138.31</b>	<b>22,729,356</b>	<b>1,136.47</b>

### (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

Name of shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	11,478,766	50.42%	11,428,766	50.28%
CMDDB II	3,366,415	14.79%	3,366,415	14.81%
Mayfield XII, Mauritius	2,378,488	10.45%	2,378,488	10.46%
Nalanda India Equity Fund Limited	2,261,722	9.93%	2,123,500	9.34%

\*Consequent to the consolidation of shares mentioned in Note 16 (d) (ii), 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				
	2019	2018	2017	2016	2015
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Re 1/- each) (refer note (i))	-	-	-	-	106.50
Subsequently consolidated into equity shares of Rs. 3/- each (refer note (ii))	-	-	-	-	63.90
Securities premium utilised for Bonus Shares issued on conversion of CCPS (refer note (iii))	-	-	138.90	-	-



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 16 Share Capital (Continued)

(i) On December 31, 2014, the Company issued bonus shares to the existing share holders, in the ratio of 18:100. The Securities premium account was utilised to the extent of Rs. 74.69 lakhs for the issue of said bonus shares. On January 27, 2015, the Company issued bonus shares to the existing share holders, in the ratio of 1:2. The Securities premium account was utilised to the extent of Rs. 244.82 lakhs for the issue of said bonus shares.

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

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

## (e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan of the Company, refer note 36.

(f) During the year ended March 31, 2020, the Company has not issued shares for consideration other than cash.

	As at March 31, 2020	As at March 31, 2019
<b>17 Other equity</b>		
<b>(a) Securities premium account</b>		
Opening balance	12,539.84	12,502.66
Add: exercise of stock options	55.06	37.18
<b>Closing balance</b>	<b>12,594.90</b>	<b>12,539.84</b>

	As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>(b) Retained earnings</b>		
Opening balance	6,272.98	3,592.72
Profit for the year	2,867.76	3,523.32
Re-measurement gain / (loss) on defined benefit plans (net of tax impact) (refer note 32)	(68.91)	(62.18)
Add: transferred from share-based payments reserve upon lapse of stock options	8.52	1.05
Less: Cash dividend (including dividend distribution tax)**	(411.11)	(410.92)
Recognition of reserve on retrospective implementation Ind-AS 116 "Lease" (Opening Adjustment)	-	(371.01)
<b>Closing balance</b>	<b>8,669.24</b>	<b>6,272.98</b>

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

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	As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>17 Other equity (Continued)</b>		
<b>(b) Retained earnings (Continued)</b>		
<b>**Distribution made and proposed</b>		
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March 2020: Rs. Nil per share (31 <sup>st</sup> March 2019: Rs. 1.5 per share)	340.94	340.86
Dividend distribution tax	70.08	70.06
	<b>411.02</b>	<b>410.92</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March 2020: Rs. 3.5 per share, which includes special dividend of Rs. 2.0 per share (31 <sup>st</sup> March 2019: Rs. 1.5 per share)	796.82	340.94
Dividend distribution tax	-	70.08
	<b>796.82</b>	<b>411.02</b>
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.		
<b>(c) Share based payment reserve</b>		
Opening balance	112.44	87.24
Addition during the year	77.70	37.16
Less: transferred to security premium on exercise of stock options	(17.13)	(10.91)
Less: transferred to retained earnings upon lapse of stock options	(8.52)	(1.05)
<b>Closing balance</b>	<b>164.49</b>	<b>112.44</b>
<b>(d) Cash flow hedge reserve</b>		
Opening balance	35.27	-
Addition during the year (net of tax impact) (refer note 32)	(35.27)	35.27
<b>Closing balance</b>	<b>-</b>	<b>35.27</b>
<b>Total other equity</b>	<b>21,428.63</b>	<b>18,960.53</b>
<b>18 Borrowings (at amortised cost)</b>		
<b>Current</b>		
Bank overdraft (secured)*	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Effective interest rate (%)	7.65%	8.15%

\* The Company maintains overdraft facility with HDFC bank which is repayable on demand and the Company's overdraft balance as at March 2020 and March 2019 is Nil. The said facility is secured by way of lien on fixed deposit upto extent of Rs. 1,000.00 lakhs marked in favour of the bank.





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		As at March 31, 2020	As at March 31, 2019
<b>19</b>	<b>Trade &amp; other payables</b>		
	<b>(at amortised cost)</b>		
<b>(a)</b>	<b>Trade payables</b>		
	<b>Current</b>		
	Trade payables (refer note 34)	2,582.62	1,602.70
	Dues to employees	432.69	483.61
	Dues to related parties (refer note 39)	21.92	-
		<b>3,037.23</b>	<b>2,086.31</b>
<b>(b)</b>	<b>Other payables</b>		
	<b>Current</b>		
	Payables for capital purchases	206.89	44.63
		<b>206.89</b>	<b>44.63</b>
Trade payables and other payables are generally non-interest bearing and is in the range of 0 to 3 months.			
For Company's credit risk management process refer note 42.			

		As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>20</b>	<b>Lease liabilities</b>		
	<b>Non-current</b>		
	Lease liabilities	4,632.95	4,127.31
	<b>Current</b>		
	Lease liabilities	1,486.31	1,067.22
		<b>6,119.26</b>	<b>5,194.53</b>
* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.			

		As at March 31, 2020	As at March 31, 2019
<b>21</b>	<b>Other liabilities</b>		
	<b>Non-current</b>		
	Deferred revenue	14.54	38.10

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	As at March 31, 2020	As at March 31, 2019
<b>21 Other liabilities (Continues)</b>		
<b>Current</b>		
Deferred revenue	6,844.24	7,082.75
Advances from customers	48.32	166.32
Withholding and other taxes payable	431.50	538.79
	7,324.06	7,787.86
	<b>7,338.60</b>	<b>7,825.96</b>

<b>22 Provisions</b>		
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 37)	-	-
	-	-
<b>Current</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 37)	192.63	178.24
- Provision for leave benefits	268.69	247.37
<b>Other provisions</b>		
Provision for litigations (refer note below)	283.37	180.49
	<b>744.69</b>	<b>606.10</b>
<b>Provision for litigations:</b>		
The movement of provision for litigation during the period is given below:		
Opening balance	180.49	193.78
Addition	112.68	-
Utilisation	(9.80)	(13.29)
<b>Closing balance</b>	<b>283.37</b>	<b>180.49</b>

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

(b) Employees' Provident Fund (EPF) : During the year ended March 31, 2015, the Company received a demand order from Regional Commissioner of Provident Fund, on account of non- inclusion of various allowances for the calculation of Provident Fund (PF) contribution for the period April 2012 to May 2014. Honourable Supreme Court has issued an order dated February 28, 2019, in a matter similar to the case involving the company as detailed above

Further, during the 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 has obtained an interim stay on this demand by depositing 25% of the demand. 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 as at March 31, 2020, has made a provision for the demand including interest amounting to Rs. 166.19 lakhs in respect of identifiable employees. Although basis the legal opinion,



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## 22 Provisions (Continued)

The Company is not bound to pay PF contribution in respect of non-identifiable employees, as a matter of prudence the Company has provided for the demand amounting to Rs.69.96 lakhs in respect of non-identifiable employees. The Company has created the 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 38(c)). Based on evaluation of the SC 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.

(c) 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 provided during the period 2007-08 to 2011-12. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and is in the process of filing appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT). 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 the year. 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. (also refer note 38(c))

	Year ended March 31, 2020	Year ended March 31, 2019
<b>23 Revenue from contracts with customers</b>		
Income from services	42,401.07	39,595.29
Business license fee	152.73	51.35
Less : Taxes collected from customers	(5,842.11)	(5,669.45)
	<b>36,711.69</b>	<b>33,977.19</b>
<b>Disaggregated revenue information</b>		
<b>Set out below is the disaggregation of the Company revenue from contracts with customers:</b>		
<b>Type of service:</b>		
Match making services	35,572.51	32,712.21
Marriage services	1,139.18	1,264.98
<b>Total revenue from contracts with customers</b>	<b>36,711.69</b>	<b>33,977.19</b>
<b>Geographical revenue:</b>		
India	31,943.09	29,877.03
Outside India	4,768.60	4,100.16
<b>Total revenue from contracts with customers</b>	<b>36,711.69</b>	<b>33,977.19</b>
<b>Timing of revenue recognition:</b>		
Service transferred at a point in time	1,059.63	1,164.14
Services transferred over time	35,652.06	32,813.05
<b>Total revenue from contracts with customers</b>	<b>36,711.69</b>	<b>33,977.19</b>

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<b>23</b>	<b>Revenue from contracts with customers</b> <i>(Continued)</i>		
	<b>Contract balances</b>		
		<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	Trade receivables	216.79	350.29
	Contract assets	-	-
	Contract liabilities	6,907.10	7,287.17
	Contract liabilities include long-term and short-term advances received to deliver subscriptions services.		
	<b>Set out below is the amount of revenue recognised from:</b>		
		<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
	Amounts included in contract liabilities at the beginning of the year	7,132.25	5,658.52
	Performance obligations satisfied in previous years	-	-
	<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:</b>		
	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.		
	<b>Performance obligation</b>		
	Information about the Company's performance obligations are summarised below:		
	<b>Matchmaking services</b>		
	The performance obligation is satisfied over the period of subscription ranging from 1 to 24 months and the payment is collected upfront.		
	<b>Marriage services</b>		
	Marriage services consist of Photography services, MatrimonyMandaps services and MatrimonyBazaar services.		
	<b>- Photography services</b>		
	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.		
	<b>- Matrimony Bazaar services</b>		
	The primary performance obligation under Matrimony bazaar services contract is to provide leads to the contracted customer and the charges per lead is deducted against the advance collected from the customer. The Company also charges a fixed fee for other services provided under the contract for which the performance obligation is satisfied over the period of the contract. There are no significant financing component in these contracts.		
	<b>- Matrimony Mandap Services</b>		
	The performance obligation under Matrimony mandap services contract is to secure booking of mandap and the Company collects commission upon each successful booking.		
	There are no significant return / refund / other obligations for any of the above mentioned services.		



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for the year ended March 31, 2020

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	Year ended March 31, 2020	Year ended March 31, 2019
<b>24 Finance income</b>		
Interest income from:		
- Bank deposits	575.23	593.36
- Fair value changes of interest free security deposits	66.44	65.12
- Interest on loan	10.97	12.99
Income from mutual fund investments	981.41	723.98
	<b>1,634.05</b>	<b>1,395.45</b>
<b>25 Other income</b>		
Liabilities no longer required written back	0.38	25.00
Agency commission income (refer note 39)	16.80	16.80
Government contribution to employee provident fund*	85.03	122.88
Dividend from equity investment	169.66	-
Miscellaneous income	66.08	10.59
	<b>337.95</b>	<b>175.27</b>
<b>*Government grants</b>		
<b>At April 1</b>	-	-
Received during the year	85.03	122.88
Released to the statement of profit and loss	(85.03)	(122.88)
<b>At March 31</b>	-	-
*Government grant have been received under Pradhan Mantri Rojgar Protsahan Yojana ('PMRPY') scheme for incentivising employers for generation of new employments.		
<b>26 Employee benefit expense</b>		
Salaries, wages and bonus	13,704.55	12,599.15
Contribution to provident and other fund	900.43	931.14
Gratuity expense (refer note 37)	92.31	78.13
Share based payment expense (refer note 36)	77.70	37.16
Staff welfare expense	365.93	388.10
Recruitment and training	72.59	59.90
	<b>15,213.51</b>	<b>14,093.58</b>

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	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>27 Depreciation and amortisation expense</b>		
Depreciation of tangible assets	2,569.55	2,375.61
Amortisation of intangible assets	222.92	272.78
	<b>2,792.47</b>	<b>2,648.39</b>

<b>28 Finance cost</b>		
Bank charges	10.92	4.56
Interest	512.63	479.76
	<b>523.55</b>	<b>484.32</b>

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

	Year ended March 31, 2020	Year ended March 31, 2019
<b>29 Advertisement and business promotion expenses</b>		
Advertisement	10,269.14	7,527.13
Business promotion expense	552.78	595.26
	<b>10,821.92</b>	<b>8,122.39</b>

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>30 Other expenses</b>		
Web hosting charges	626.20	642.10
Electricity	562.79	535.13
Rates and taxes	131.18	13.45
Insurance	79.79	68.09
Repairs and maintenance - others	595.44	628.47
Travelling and conveyance	370.65	312.80
Communication costs	708.14	679.66
Printing and stationery	35.13	30.80
Legal and professional fees #	827.09	610.62
Directors' sitting fees	64.50	56.00
Directors' commission	25.00	-
Exchange differences (net)	-	8.60



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## 30 Other expenses (Continued)

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
Impairment allowance on financial assets	273.35	187.27
Less: Bad debts written off	(167.93)	(107.81)
<b>Impairment allowance on financial assets (net)</b>	<b>105.42</b>	<b>79.46</b>
Loss on sale/ write off of Property, plant and equipment (net)	-	7.35
Collection charges	829.92	860.68
Outsourced photography service charges	380.81	553.68
Impairment loss on asset held for sale	65.44	-
CSR expenses##	80.88	1.80
Miscellaneous expenses	19.52	53.90
	<b>5,507.90</b>	<b>5,142.59</b>
* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.		
<b># Payment to auditor (Included under legal and professional fees)</b>		
<b>As auditor:</b>		
Audit fee	26.00	26.00
Limited review	9.00	9.00
Tax audit fee	1.00	1.00
<b>In other capacity:</b>		
Others (including certification fees)	5.50	1.00
	<b>41.50</b>	<b>37.00</b>
<b>## Details of CSR expenditure</b>		
Gross amount required to be spend by the Company during the year	131.49	39.80
<b>Amount spent during the year ended 31<sup>st</sup> March 2020:</b>	<b>In Cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	80.88	50.61
<b>Amount spent during the year ended 31<sup>st</sup> March 2019:</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.80	38.00

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	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>31 Income tax expense</b>		
The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:		
<b>Profit or loss section</b>		
<b>Current tax:</b>		
Current income tax charge	784.39	1,497.47
Adjustments in respect of current income tax of previous year	(39.75)	6.81
<b>Deferred tax:</b>		
Relating to the origination and reversal of temporary differences	211.94	29.05
<b>Income tax expense reported in the statement of profit and loss</b>	<b>956.58</b>	<b>1,533.33</b>
<b>Other comprehensive income (OCI) section</b>		
Net loss on re-measurement of defined benefit obligation	(23.18)	(33.40)
Relating to tax on cash flow hedging	(18.95)	18.95
<b>Income tax charged to OCI</b>	<b>(42.13)</b>	<b>(14.45)</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:</b>		
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% & 34.94% respectively for year ended March 31, 2020 and March 31, 2019) as follows:		
<b>Accounting profit before income tax (A)</b>	<b>3,824.34</b>	<b>5,056.65</b>
Profit before income tax multiplied by standard rate of corporate tax in India of 25.17% (31 <sup>st</sup> March 2019: 34.94%)	962.51	1,767.00
<b>Adjustments</b>		
Non-deductible expenses	9.13	17.56
Losses utilised on which deferred taxes were not recognised in earlier years (Note 15)	(1.83)	(195.22)
Impact of change in income tax rate**	83.40	-
Deduction u/s 80JJAA of the Income Tax Act, 1961	(43.29)	(28.47)
Dividend income-exempt from tax	(13.59)	(34.35)
<b>At the effective income tax rate of 26.05% (31<sup>st</sup> March 2019: 30.19%)</b>	<b>996.33</b>	<b>1,526.52</b>
Total current tax expense reported in the statement of profit and loss	996.33	1,526.52
Total tax expense / (income) reported in the other comprehensive income	-	-
<b>Total tax expense</b>	<b>996.33</b>	<b>1,526.52</b>
<b>Reconciliation of total tax expenses</b>		
Income tax expense reported in the statement of profit and loss	956.58	1,533.33
Add/Less: Tax adjustments relating to previous year	39.75	(6.81)
<b>Total tax expense</b>	<b>996.33</b>	<b>1,526.52</b>





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## 31 Income tax expense (Continued)

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

\*\* The Company 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 for the current year and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit and Loss.

## 32 Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurement losses on defined benefit plans (net of tax impact)	(68.91)	(62.18)
Unrealised gain / (loss) on derivative contracts (net of tax impact)	(35.27)	35.27
	<b>(104.18)</b>	<b>(26.91)</b>

## 33 Earnings per share (EPS)

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

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>Profit attributable to equity holders of the company</b>	2,867.76	3,523.32
Weighted average number of equity shares		
- Basic	22,734,489	22,726,189
Effect of dilution:		
(i) Share options	79,044	103,035
- Diluted	22,813,533	22,829,224
Earning per share of Rs.5.00/- each		
- Basic	12.61	15.50
- Diluted	12.57	15.43

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.

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

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

The information regarding micro or small enterprise has been determined on the basis of information available with the management and Dues including interest to Micro, Small and Medium Enterprises as on March 31, 2020 are Rs. 3.95 lakhs (March 31, 2019: 2.95 lakhs).\*

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount due to suppliers under MSMED Act	6.53	14.56
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.34	0.57
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	8.03	61.34
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due to suppliers under MSMED Act, for payments already made	3.61	2.38
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	3.95	2.95

\*The Company has 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 has provided interest under MSMED Act during the year.

## 35 Significant accounting judgements, estimates and assumptions

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

The estimates and underlying assumptions are reviewed on an 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.



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35	<b>Significant accounting judgements, estimates and assumptions</b> (Continued)
(i) Taxes	<p>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.</p>
	<p>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.</p>
	<p>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.</p>
(ii) Fair value measurement of financial instruments	<p>When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.</p>
(iii) Lease	<p>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.</p>
	<p>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.</p>
(B) Estimates and assumptions	<p>The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the these financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.</p>
(i) Impairment of non - financial assets	<p>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.</p>

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 35 Significant accounting judgements, estimates and assumptions (Continued)

### (ii) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are disclosed in Note 37.

### (iii) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36.

### (iv) Depreciation on property, plant and equipment

The management has estimated the useful life of its property, plant and equipment based on technical assessment. The estimate has been supported by independent assessment by 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.

## 36 Employee stock option plans

### Employee stock option scheme

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

#### Exercise period:

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

The expense recognised (net of reversal) for share options during the year is Rs. 77.70 lakhs (March 31, 2019: 37.16 lakhs). There are no cancellations or modifications to the awards in March 31, 2020 or March 31, 2019.



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 36 Employee stock option plans (Continued)

The grant wise information is as below:

Grant	Date of Grant	Number of options granted	Vesting period	Manner of vesting
Grant 3, 4, 5 & 6	April 14, 2014	381,772	14-Apr-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, 2016.
Grant 10	February 9, 2016	9,600	01-Apr-2017 to 01-Apr-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017.
Grant 11	June 30, 2016	2,000	01-Jul-2017 to 01-Jul-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017.
Grant 12	March 21, 2018	10,200	01-Apr-2019 to 01-Apr-2021	Eligible on a graded manner over three years period with 30% of the grants vesting at the end of 12 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24 months from the date of grant and 36 months from the date of grant respectively.
Grant 13	March 21, 2018	3,000	01-Apr-2019 to 01-Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019. The remaining 60% of the grants vest at the end of 24 months from the date of grant.
Grant 14	March 21, 2018	3,600	01-Apr-2019 to 01-Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019. The remaining 60% of the grants vest at the end of 24 months from the date of grant.
Grant 15	March 21, 2018	5,000	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.

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## 36 Employee stock option plans (Continued)

Grant	Date of Grant	Number of options granted	Vesting period	Manner of vesting
Grant 18	October 31, 2018	10,000	01-Nov-2019 to 01 Nov-2022	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 1, 2019.
Grant 19	February 12, 2019	12,000	01-Apr-2020 to 01-Apr-2022	Eligible on a graded manner over three years period with 33.33% of the grants vesting at the end of every 12 months starting from April 1, 2020.
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.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Outstanding at the beginning of the year	187,978	192,523
Options lapsed during the year	(23,200)	(13,100)
Options granted during the year	80,600	27,000
Options exercised during the year	(36,817)	(18,445)
Outstanding at the end of the year	208,561	187,978
Exercisable at the end of the year	109,831	139,378
The weighted average share price at the date of exercise of the options was Rs. 322.65/- (Face value Rs. 5/- per share).		
The range of exercise prices for options outstanding at the end of the year was Rs. 103 to Rs. 807.50 (March 31, 2019: Rs. 103 to Rs. 807.50).		
The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 is in the range of 1.04 to 4.59 years (March 31, 2019: 1.04 to 4.51 years).		

The following table lists the inputs to the models used for ESOS 2014 for the years ended March 31, 2020 and March 31, 2019, respectively:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Exercise price per share for the options granted during the year (Rs.)	299.45 to 600.45	399.55 to 453.45
Weighted average fair value per share (Rs.)	600.45	453.45
Weighted average fair value of options granted	502.77	429.49



# Notes to the standalone financial statements

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## 36 Employee stock option plans (Continued)

The following tables list the inputs to the models used for ESOS 2014 for the years ended March 31, 2020 and March 31, 2019, respectively: (Continued)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expected volatility	43.80% to 48.07%	37.62% to 39.54%
Life of the options granted (Vesting and exercise period in years)	3.5 to 6.5 Years	3.51 to 6.51 Years
Average risk free interest rate	6.08% to 7.60%	7.08% to 8.05%
Expected dividend yield	0.25% to 0.50%	0.33% to 0.38%

## 37 Employee benefits

### Defined contribution plans - General description

#### Provident fund & other funds:

During the year, the Company has recognised Rs. 900.43 lakhs (March 31, 2019 : Rs. 931.14 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 26).

### Other long-term employee benefits - General description

#### Leave encashment:

Each employee is eligible to get one earned leave for each completed month of service but entitlement arises only on completion of first year of service. Encashment of entitled leave is allowed only on separation subject to maximum accumulation of up to 24 days.

### Defined benefit plans - General description

#### Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 20 lakhs. The plan assets are in the form of corporate bond in the name of "Matrimony.com Limited Group Gratuity Trust" with Reliance Nippon Life Insurance Company Limited.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Recognized in profit or loss:</b>		
Current service cost	86.17	74.82
Net interest income on benefit obligation / assets	6.14	3.31
	<b>92.31</b>	<b>78.13</b>

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 37 Employee benefits (Continued)

### Defined contribution plans - General description (Continued)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Recognized in other comprehensive income:</b>		
Re-measurement losses arising from changes in financial and demographic assumptions	92.09	95.58
	<b>92.09</b>	<b>95.58</b>
<b>Net benefit expense</b>	<b>184.40</b>	<b>173.71</b>

Plan liability / (asset) are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	769.47	651.24
Fair value of plan assets	(576.83)	(473.00)
<b>Plan liability / (asset) - (net)</b>	<b>192.64</b>	<b>178.24</b>

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation at the beginning of the year	651.24	538.36
Current service cost	86.17	74.82
Interest cost	39.87	34.02
Re-measurement losses on obligation	84.69	65.90
Benefits paid	(92.50)	(61.86)
<b>Closing defined benefit obligation</b>	<b>769.47</b>	<b>651.24</b>

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

Fair value of plan assets at the beginning of the year	473.00	443.85
Expected return on plan assets	33.73	30.68
Contributions	170.00	90.00
Benefits paid	(92.50)	(61.86)
Re-measurement losses on plan assets	(7.40)	(29.67)
<b>Fair value of plan assets at the end of the year</b>	<b>576.83</b>	<b>473.00</b>





# Notes to the standalone financial statements

for the year ended March 31, 2020

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## 37 Employee benefits (Continued)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	4.82%	6.59%
Expected rate of return on assets	4.82%	6.59%
Salary escalation	<b>Band 1 to 5:</b> 5%/6%/6%/6%/6%	8.00%
Employee turnover	<b>Band 1 to 5:</b> 99%/39%/ 39%/27%/ 32%	60.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous years, the Company expects to contribute Rs. 193 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, 2020	As at March 31, 2019
Investments details:		
Funds with Reliance Nippon Life Insurance Company Limited	576.83	473.00
<b>Total</b>	<b>576.83</b>	<b>473.00</b>

These funds have been invested into corporate bonds and money market funds, consequently the Company is not exposed to any equity market risks.

A quantitative sensitivity analysis for significant assumption is shown below:

### Gratuity plan:

Assumptions	March 31, 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

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 37 Employee benefits (Continued)

A quantitative sensitivity analysis for significant assumption is shown below: (Continued)

### Gratuity plan: (Continued)

March 31, 2019						
Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(3.93)	4.00	5.03	(4.98)	(1.10)	1.12

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### Maturity profile of defined benefit obligation:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Within the next 12 months (next annual reporting period)	343.22	367.20
Between 1 and 5 years	394.92	328.22
Between 5 and 10 years	101.42	13.93
<b>Total expected payments</b>	<b>839.56</b>	<b>709.35</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.7 years (March 31, 2019: 1.8 years)

## 38 Commitment and contingencies

### (a) Capital commitments (net of advances and deposit)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital commitments (net of advances and deposit)	86.47	37.51

### (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 11 months to 9 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	2020	2019 Restated*
As at April 1	4,789.12	3,730.88
Additions	2,516.16	2,601.00
Depreciation expense	1,615.29	1,542.76
<b>As at 31<sup>st</sup> March</b>	<b>5,689.99</b>	<b>4,789.12</b>



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 38 Commitment and contingencies (Continued)

### (b) Leases (Continued)

#### Lease commitments – Company as lessee (Continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	2020	2019 Restated*
As at April 1	5,194.53	4,053.57
Additions	2,397.30	2,517.36
Accretion of Interest	509.07	476.40
Payments	1,981.64	1,852.80
<b>As at 31<sup>st</sup> March</b>	<b>6,119.26</b>	<b>5,194.53</b>
Current	1,486.31	1,067.22
Non-current	4,632.95	4,127.31

For the maturity analysis of lease liabilities, refer note 42

The effective interest rate for lease liabilities is 9.3%, with maturity between 2021-2029.

The following are the amounts recognised in profit or loss:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense of right-of-use assets	1,615.29	1,542.76
Interest expense on lease liabilities	509.07	476.40
Total amount recognised in profit or loss	2,124.36	2,019.16

The Company had total cash outflows for leases of Rs. 1,981.64 in March 31, 2020 (Rs. 1,852.80 in March 31, 2019). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 2,397.30 in March 31, 2020 (Rs. 2,517.36 in March 31, 2019).

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 35).

As at March 31, 2020, 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. 721.81 lakhs.

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

### (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 22.

ii) Matters wherein management has concluded the company's liability to be possible have accordingly been disclosed under this note.

# Notes to the standalone financial statements

for the year ended March 31, 2020

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## 38 Commitment and contingencies (Continued)

### (c) Other contingent liabilities (Continued)

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, 2020	As at March 31, 2019
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	-

#### 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.

(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. 174.40 lakhs.

(iv) Interest obligation and damages on Provident Fund demand raised by Employee Provident Fund Organisation are estimated to be Rs.134.07 lakhs and Rs. 162.91 lakhs respectively. The company, on a prudent basis, has made total provision aggregating to Rs. 243.88 lakhs towards PF dues for past periods relating to identifiable employees (including interest of Rs. 73.19 lakhs) and base liability due for employees whose details are not identifiable. 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. These are disclosed as a contingent liability (also refer note 22).



# Notes to the standalone financial statements

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## 38 Commitment and contingencies (Continued)

### Other contingent liabilities (Continued)

(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 2007-08 to 2011-12. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and is in the process of filing appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT). 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 the year. 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. (also refer note 22)

## 39 Related party disclosures

### a. Names of related parties

Relationship	Names of related parties
Subsidiaries	Sys India Private Limited, India
	Consim Info USA Inc., USA
	Community Matrimony Private Limited, India (till February 13, 2019)
	Matchify Services Private Limited, India (till February 13, 2019)
	Tambulya Online Marketplace Private Limited, India (till February 13, 2019)
	Matrimony DMCC, Dubai (from October 11, 2018)
Associate	Astro Vision Futuretech Private Limited (from February 11, 2020)*
Enterprises owned or significantly influenced by key management personnel or their relatives	India Property Online Private Limited, India (till December 11, 2018)
	Infonauts Inc., USA
	Consim Direct Mauritius Limited
Key Management Personnel (KMP)	Mr. Murugavel Janakiraman, Managing Director
	Mr. K Balasubramanian, Chief Financial Officer (till December 14, 2018)
	Mr. Sushanth Pai, Chief Financial Officer (from December 15, 2018)
	Mr. S Vijayanand , Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman
	Mrs. Deepa Murugavel
Independent directors	Mr. Milind Shripad Sarwate
	Mr. George Zacharias
	Mr. Chinni Krishnan Ranganathan
	Mrs. Akila Krishnakumar

### Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the years ended March 31, 2020 and March 31, 2019, the Company has not recorded any impairment of receivables (excluding investment made in equity shares) relating to amounts owed by Related Parties (Refer Note 12 and Note 19(a) for Trade receivables and Trade payables respectively).

\* For details , refer note 4 " Non current investments"

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

39	Related party disclosures (Continued)									
b. Transactions with related parties:										
Particulars										
Year ended										
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	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										
- Sys India Private Limited	19.18	20.08	-	-	-	-	-	-	-	-
- Consim Info USA Inc.	27.25	23.21	-	-	-	-	-	-	-	-
- Astro Vision Futuretech Private Limited	1.88	-	-	-	-	-	-	-	-	-
Expenses made by related parties on behalf of Company										
- Sys India Private Limited	560.12	371.36	-	-	-	-	-	-	-	-
- Consim Info USA Inc.	272.98	213.91	-	-	-	-	-	-	-	-
Agency commission income										
- Sys India Private Limited	16.80	16.80	-	-	-	-	-	-	-	-
Business license fee										
- Consim Info USA Inc.	-	17.91	-	-	-	-	-	-	-	-
- Matrimony DMCC	152.83	33.44	-	-	-	-	-	-	-	-
Investment in subsidiary during the year										
- Matrimony DMCC	-	10.17	-	-	-	-	-	-	-	-
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)	54.85	-	-	-	-	-	-	-	-
Interest income										
- Matrimony DMCC	1.13	2.13	-	-	-	-	-	-	-	-
Dividend received										
- Matrimony DMCC	169.66	-	-	-	-	-	-	-	-	-
Compensation of KMPs & relative of KMPs										
Short term employee benefits*	-	-	-	-	-	-	282.80	309.42	11.32	10.70
Share based payment expenses	-	-	-	-	-	-	10.78	0.44	-	-
Dividend paid to KMPs & relative of KMPs										
Dividend paid	-	-	-	-	-	-	172.20	171.46	0.06	0.06
Remuneration and Dividend to Directors										
Sitting fees	-	-	-	-	-	64.50	56.00	-	-	-
Commission#	-	-	-	-	-	25.00	-	-	-	-
Dividend paid	-	-	-	-	-	0.75	0.75	-	-	-
* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.										
# Commission to directors has been provided on accrual basis.										

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 39 Related party disclosures (Continued)

### c. Balances with related parties:

Particulars	As at					
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Subsidiaries/ Associate		Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested		Key Management Personnel & Relatives of Key Management Personnel	
<b>Loans and advances</b>						
- Matrimony DMCC	-	55.78	-	-	-	-
- Sys India Private Limited	-	67.60	-	-	-	-
<b>Trade payables</b>						
- Sys India Private Limited	20.67	-	-	-	-	-
- Astro Vision Futuretech Private Limited	1.25	-	-	-	-	-
<b>Trade receivables</b>						
- Consim Info USA Inc.	97.49	56.57	-	-	-	-
- Matrimony DMCC	11.16	38.57	-	-	-	-

## 40 Segment reporting

For management purposes, the Company's operations are organised into two major segments - Matchmaking services and Marriage services and related sale of products.

**Matchmaking services** - The Company offers online matchmaking services on internet and mobile platforms. Matchmaking services are delivered to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India.

**Marriage services** - The Company has introduced MatrimonyPhotography.com, Matrimonybazar.com and Matrimonymandap.com to provide wedding photography, videography services and allied marriage services respectively.

The Management Committee headed by Managing Director consisting of Chief Financial Officer and Heads of Departments have identified the above two reportable business segments. The committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>A. Segment revenue</b>		
<b>External sales</b>		
- Matchmaking services	35,572.51	32,712.21
- Marriage services and related sale of products	1,139.18	1,264.98
<b>Total revenue</b>	<b>36,711.69</b>	<b>33,977.19</b>

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

40

Segment reporting (Continued)		
Segment expenses		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
Employee benefits expense		
- Matchmaking services	12,626.49	11,910.59
- Marriage services and related sale of products	1,973.55	1,546.95
Advertisement and business promotion expense		
- Matchmaking services	10,706.14	7,928.71
- Marriage services and related sale of products	115.78	193.68
Other expenses		
- Matchmaking services	4,116.26	3,507.97
- Marriage services and related sale of products	748.42	873.60
Depreciation, amortisation		
- Matchmaking services	2,653.92	2,163.02
- Marriage services and related sale of products	83.46	142.93
Finance charges		
- Matchmaking services	493.27	458.66
- Marriage services and related sale of products	15.80	17.74
B. Segment results		
- Matchmaking services	4,976.43	6,743.26
- Marriage services and related sale of products	(1,797.83)	(1,509.92)
Total	3,178.60	5,233.34
Reconciliation of profit		
Segment profit	3,178.60	5,233.34
Unallocable expenses	1,312.22	1,739.50
Other finance costs	20.31	7.92
Unallocable income	(1,978.27)	(1,570.73)
Profit before tax	3,824.34	5,056.65
E. Capital expenditure		
- Matchmaking services	1,076.72	766.77
- Marriage services and related sale of products	45.66	47.66
- Unallocable	182.87	1,104.49
Total capital expenditure	1,305.25	1,918.92
F. Depreciation / amortisation		
- Matchmaking services	2,653.92	2,163.02
- Marriage services and related sale of products	83.46	142.93
- Unallocable	55.09	342.44





# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 40 Segment reporting (Continued)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>Total depreciation / amortisation</b>	<b>2,792.47</b>	<b>2,648.39</b>
<b>G. Non-cash items other than depreciation / amortisation</b>		
- Matchmaking services	(0.24)	10.20
- Marriage services and related sale of products	105.42	71.83
- Unallocable	186.23	(46.55)
<b>Total non-cash items other than depreciation / amortisation</b>	<b>291.41</b>	<b>35.48</b>

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

## Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Segment revenue</b>		
- India	31,943.09	29,877.03
- Outside India	4,768.60	4,100.16
<b>Total revenue</b>	<b>36,711.69</b>	<b>33,977.19</b>

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

<b>Non current operating assets</b>		
- India	7,611.83	7,561.56
- Outside India	-	-
<b>Total</b>	<b>7,611.83</b>	<b>7,561.56</b>

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

## Other disclosures

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Capital expenditure	1,305.25	1,918.92

### Note:

1) Until March 31, 2019, the Company was providing disclosures relating to segment assets and liabilities in addition to segment results voluntarily. Considering, the Chief Operating Decision Maker (CODM) does not review segment assets and liabilities as the Marriage services segment is significantly smaller compared to the Matchmaking segment and supplemented by the fact that the assets are interchangeably used between segments, effective April 1, 2019, the Company has decided to disclose only segment results.

2) 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".

3) 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, 2020

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

## 41 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values. The management assessed that the cash and cash equivalents, trade receivables, trade payables, fixed deposits, bank overdrafts and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 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)
<b>Asset measured at fair value</b>					
<b>FVTPL financial investments:</b>					
Unquoted mutual funds	March 31, 2020	12,035.03	12,035.03	-	-

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

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)
<b>Asset measured at fair value</b>					
<b>FVTPL financial investments:</b>					
Unquoted mutual funds	March 31, 2019	13,675.01	13,675.01	-	-

## 42 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise bank overdraft and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash, security deposits, investments and fixed term deposits, which arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by its Risk Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 42 Financial risk management objectives and policies (Continued)

### 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 of 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. 41.33 lakhs as at March 31, 2020. 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 of future cash flows of an expenses will fluctuate because of change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a foreign currency) and the Company's net investment in foreign subsidiary.

The majority of the Company's revenue and expenses are in Indian Rupees, however significant percentage of revenue are denominated in US dollars. Hence the Company has entered into forward contract to protect its cash flow in US dollars. Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar (refer note 43). 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, 2020	5%	3.09	3.09
	-5%	(3.09)	(3.09)
March 31, 2019	5%	7.32	7.32
	-5%	(7.32)	(7.32)

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 42 Financial risk management objectives and policies (Continued)

### 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 12. The Company does not hold collateral as security.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Risk Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 23,248.14 lakhs and Rs. 20,208.62 lakhs as at March 31, 2020 and March 31, 2019 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
<b>As at March 31, 2020</b>					
Provisions	-	744.69	-	-	744.69
Lease liabilities (refer note 38 (b))	-	1,974.20	2,475.00	3,145.90	7,595.10
Trade and other payables	-	3,244.12	-	-	3,244.12
	-	<b>5,963.01</b>	<b>2,475.00</b>	<b>3,145.90</b>	<b>11,583.91</b>



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 42 Financial risk management objectives and policies (Continued)

	On demand	Less than 1 year	1 to 3 years	> 3 years	Total
<b>As at March 31, 2019 (Restated)*</b>					
Provisions	-	606.10	-	-	606.10
Lease liabilities (refer note 38 (b))	-	1,823.75	2,809.17	2,017.14	6,650.06
Trade and other payables	-	2,130.94	-	-	2,130.94
	-	<b>4,560.79</b>	<b>2,809.17</b>	<b>2,017.14</b>	<b>9,387.10</b>

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

## 43 Hedging activities and derivatives

The Company is exposed to certain risks relating to its on-going business operations. The primary risks managed using derivative instruments are foreign currency risk. The Company's risk management strategy and how it is applied to manage risk are explained in Note 42.

### Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates. 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 Company is holding the following foreign exchange and forward contracts:**

	Maturity					
	Less than 1 month	1 to 3 months	4 to 6 months	7 to 9 months	10 to 12 months	Total
As at March 31, 2020:						
Foreign exchange forward contracts (highly probable forecast sales) (USD)	-	-	-	-	-	-
Notional amount (in INR lacs)	-	-	-	-	-	-
Average forward rate (INR/USD)	NA	NA	NA	NA	NA	NA
As at March 31, 2019:						
Foreign exchange forward contracts (highly probable forecast sales) (USD)	300,000	600,000	960,000	820,000	150,000	2,830,000
Notional amount (in INR lacs)	211.99	426.11	695.84	601.15	110.82	2,045.91
Average forward rate (INR/USD)	70.66	71.02	72.48	73.31	73.88	72.29

# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 43 Hedging activities and derivatives (Continued)

The impact of the hedging instruments on the balance sheet is, as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Foreign exchange forward contracts:				
As at March 31, 2020:	-	-	Financial Assets	-
As at March 31, 2019:	2,045.91	2,100.13	Financial Assets	54.22

The effect of the cash flow hedge in the statement of profit and loss and other comprehensive income is, as follows:

	Total hedging gain/(loss) recognised in OCI	Amount reclassified from OCI to profit or loss
Net movement on cash flow hedge reserve:		
Year ended March 31, 2020	-	-
Year ended March 31, 2019	54.22	-

The Impact of hedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity	Effect on OCI
March 31, 2020	5%	-	-	-
	-5%	-	-	-
March 31, 2019	5%	-	-	102.29
	-5%	-	-	(102.29)

## 44 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.



# Notes to the standalone financial statements

for the year ended March 31, 2020

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

## 44 Capital management (Continued)

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 ROE (ratio of net profit to total equity attributable to owners of the Company).

Return on Equity	As at March 31, 2020	As at March 31, 2019 (Restated)*
Profit Before Taxes	3,824.34	5,056.65
Less: Finance Income	(1,634.05)	(1,395.45)
Add: Finance Cost	523.55	484.32
<b>Earning before Net Interest and Tax</b>	<b>2,713.84</b>	<b>4,145.52</b>
Equity Share Capital	1,138.31	1,136.47
Other Equity	21,428.63	18,960.53
<b>Capital Employed</b>	<b>22,566.94</b>	<b>20,097.00</b>
<b>ROCE</b>	<b>12%</b>	<b>21%</b>

\* Refer Note 2.3 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind AS 116.

## 45 Events after the reporting period

The Board of Directors, at its meeting held on May 20, 2020 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. The final dividend includes a special dividend of 40% (Rs. 2.0 per equity share of par value of Rs. 5 each), on the occasion of the company's 20<sup>th</sup> Anniversary.

## 46 COVID-19 Impact

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated 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, 2020. Based on its review, consideration of internal and external information up to the date of approval of these financial results 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 results. However, the estimated impact of COVID 19 might vary from the date of approval of these financial results 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, 2020

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

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## 47 Previous year comparatives

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

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

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

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Murugavel Janakiraman**

Chairman & Managing Director

DIN: 00605009

**Aravind K**

Partner

Membership No: 221268

**Sushanth S Pai**

Chief Financial Officer

**S Vijayanand**

Company Secretary

Place: Chennai

Date : May 20, 2020

Place: Chennai

Date : May 20, 2020

Place: Chennai

Date : May 20, 2020





# 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 2020, 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, 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, 2020, 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, 2020. 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
<b>Accuracy and completeness of Matchmaking Revenue</b> (as described in Note 2.3 (h) of the Consolidated Ind-AS financial statements)	
<p>Matchmaking services revenues of the Group for the year ended March 31, 2020 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.</p> <p>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.</p> <p>Therefore, we considered this risk to be a key audit matter in our audit of the financial statements for the year ended March 31, 2020.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>Involved IT specialists to test relevant IT general controls, application controls and appropriateness of system generated reports;</li> <li>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;</li> <li>Tested the completeness and accuracy of the data extracted from the aforesaid systems and performed re-calculations to verify the appropriateness of revenue recognized (including cut off procedures) on a test basis;</li> <li>Tests of details for the sample revenue transactions;</li> <li>Assessed the reconciliation of unearned revenue and collections performed by the management and performed sample tests on the same;</li> <li>Read the accounting policies for revenue recognition in the financial statements;</li> <li>Performed analytical procedures over disaggregated data of revenue transactions during the audit period to identify any unusual trends / patterns warranting additional audit procedures; and</li> <li>Read the disclosures made by the management in the financial statements.</li> </ul>
<b>Impact of adopting Ind-AS 116 - Leases</b> (as described in note 2.4 (a) of the Consolidated Ind-AS financial statements)	
<p>Ind-AS 116 has replaced the current guidance in Ind-AS 17, 'Leases'. Ind-AS 116 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. The Group has adopted Ind-AS 116 Leases from 1<sup>st</sup> April 2019, which introduces a new lease accounting model, where lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet.</p> <p>The Group has applied Ind-AS 116 in the preparation of the accompanying financial statements, using the full retrospective approach. Therefore, the cumulative effect of adopting Ind-AS 116 is recognised as an adjustment to the opening balance of equity at 1<sup>st</sup> April 2018, with restatement of comparative information, as more fully described in Note 2.4 (a) to the financial statements.</p> <p>Significant judgement is required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include assessment of lease term (including the possibility of exercise of renewal options), and the application of appropriate discount rates during the relevant periods.</p> <p>The impact on adoption of Ind-AS 116 is material to the balance sheet of the Group and, accordingly, is an area of key focus for our audit.</p>	<p>Our audit procedures in this regard included the following:</p> <ul style="list-style-type: none"> <li>We understood the Group's processes to identify lease contracts, from our discussions with management and reading of internally prepared memoranda;</li> <li>We assessed the design, implementation and operating effectiveness of management's key internal controls over accounting of leases as per the requirements of Ind-AS 116;</li> <li>We read a sample of contracts to assess management's identification of leases and their critical contractual terms;</li> <li>We obtained the Group's calculation of right-of-use assets and lease liabilities. For a sample of leases, we tested the inputs used in the quantification to the lease agreements including renewal / cancellation terms, discount rate applied, and performed re-computations as required;</li> <li>We verified the completeness of the lease database used by comparing it with the list of "operating leases" identified under the previously applicable standard and reviewing the residual lease expenses (if any);</li> <li>We assessed the compliance of the accounting treatment with the requirements of accounting principles generally accepted in India; and</li> <li>We read the associated disclosures in the accompanying Consolidated Ind-AS financial Statements.</li> </ul>



## 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 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 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, 2020 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

(a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose Ind-AS financial statements include total assets of Rs. 601.33 Lakhs as at March 31, 2020, and total revenues of Rs. 672.49 Lakhs and net cash inflows of Rs. 27.95 Lakhs for the year ended on that date. These Ind-AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Ind-AS financial statements also include the Group's share of net loss of Rs. 6.28 Lakhs for the year ended March 31, 2020, 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-sections (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, 2020 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 companies, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Ind-AS financial statements of the Holding Company, 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 dated 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, 2020 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the

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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 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 and its associate in its Consolidated Ind-AS financial statements – Refer Note 36(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, 2020;
  - 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, 2020.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Aravind K**

Partner

Membership Number: 221268

UDIN: 20221268AAAAAP4069

Place: Chennai

Date: May 20, 2020



## 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, 2020, 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.

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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, 2020, 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 20, 2020





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# Consolidated Balance Sheet

as at March 31, 2020

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

	Notes	As at March 31, 2020	As at March 31, 2019 (Restated)*	As at April 1, 2018 (Restated)*
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	7,296.71	7,272.23	6,245.43
Right of use assets		5,689.99	4,789.12	3,730.88
Intangible assets	3	327.94	305.58	515.62
Intangible assets under development		6.62	4.74	2.37
Investment in associate		608.02	-	-
<b>Financial assets</b>				
(a) Security deposits	4	858.75	811.52	1,010.49
(b) Bank balances other than cash and cash equivalents	6	0.75	0.75	0.75
Deferred tax assets (net)	12	181.11	374.11	433.04
Income tax assets (net)		375.45	340.22	393.66
Other non-current assets	10	149.08	102.08	133.20
		<b>15,494.42</b>	<b>14,000.35</b>	<b>12,465.44</b>
<b>Current assets</b>				
<b>Financial assets</b>				
(a) Security deposits	4	349.53	388.90	282.98
(b) Cash and cash equivalents	5	453.22	542.42	1,663.64
(c) Bank balances other than cash and cash equivalents	6	11,014.03	6,217.37	8,112.46
(d) Investments	9	12,035.03	13,675.01	7,372.85
(e) Trade receivables	11	212.26	347.99	376.00
(f) Derivative instruments	7	-	54.22	-
(g) Other financial assets	8	461.91	410.11	292.21
Other current assets	10	476.68	546.50	447.01
Assets held for sale	3(b)	-	-	-
		<b>25,002.66</b>	<b>22,182.52</b>	<b>18,547.15</b>
<b>TOTAL ASSETS</b>		<b>40,497.08</b>	<b>36,182.87</b>	<b>31,012.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	1,138.31	1,136.47	1,135.55
Other equity	14			
(a) Securities premium account		12,594.90	12,539.84	12,502.66
(b) Retained earnings		8,875.22	6,393.37	2,620.36
(c) Share based payment reserve		164.49	112.44	87.24
(d) Foreign currency translation reserve		51.20	33.77	48.10
(e) Cash flow hedge reserve		-	35.27	-
<b>Equity attributable to equity holders of the parent</b>		<b>22,824.12</b>	<b>20,251.16</b>	<b>16,393.91</b>
<b>TOTAL EQUITY</b>	<b>A</b>	<b>22,824.12</b>	<b>20,251.16</b>	<b>16,393.91</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(a) Lease liabilities		4,632.95	4,127.32	2,849.56
Other non-current liabilities	18	14.54	38.10	30.31
Provisions	19	-	-	39.64
		<b>4,647.49</b>	<b>4,165.42</b>	<b>2,919.51</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(a) Borrowings	15	-	-	641.47
(b) Trade payables	16(a)			-
(i) Total outstanding dues of micro enterprises and small enterprises		3.95	2.95	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,102.13	2,105.87	1,793.72
(c) Others payables	16(b)	206.89	62.65	45.27
(d) Lease liabilities		1,486.31	1,067.22	1,204.01
Other current liabilities	18	7,440.39	7,900.33	7,468.49
Provisions	19	755.11	610.71	468.41
Liabilities for current tax (net)		30.69	16.56	77.80
		<b>13,025.47</b>	<b>11,766.29</b>	<b>11,699.17</b>
<b>TOTAL LIABILITIES</b>	<b>B</b>	<b>17,672.96</b>	<b>15,931.71</b>	<b>14,618.68</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(A+B)</b>	<b>40,497.08</b>	<b>36,182.87</b>	<b>31,012.59</b>

Summary of significant accounting policies

2.1

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

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

As per our report of even date.

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

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner

Membership No: 221268

Place: Chennai

Date : May 20, 2020

Murugavel Janakiraman

Chairman & Managing Director

DIN: 00605009

Sushanth S Pai

Chief Financial Officer

Place: Chennai

Date : May 20, 2020

S Vijayanand

Company Secretary

Place: Chennai

Date : May 20, 2020



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
Revenue from contracts with customers	20	37,183.53	34,842.75
Finance income	21	1632.95	1393.32
Other income	22	152.98	165.36
<b>Total income</b>		<b>38,969.46</b>	<b>36,401.43</b>
<b>Expenses</b>			
Employee benefits expense	23	15,346.38	14,148.06
Advertisement and business promotion expenses	26	10,802.74	8,103.83
Other expenses	27	5,585.10	5,163.03
Depreciation and amortisation expense	24	2,796.36	2,651.01
Finance costs	25	524.95	485.87
<b>Total expenses</b>		<b>35,055.53</b>	<b>30,551.80</b>
<b>Profit before tax and share of profit / (loss) from associate</b>		<b>3,913.93</b>	<b>5,849.63</b>
Share of profit/ (loss) of associate		(6.28)	-
<b>Profit before tax</b>		<b>3,907.65</b>	<b>5,849.63</b>
<b>Tax expense</b>			
- Current income tax	12	785.99	1,568.71
- Current tax relating to earlier years		(43.76)	6.81
- Deferred tax (net)		211.94	29.05
<b>Total tax expense</b>		<b>954.17</b>	<b>1,604.57</b>
<b>Profit for the year (I)</b>		<b>2,953.48</b>	<b>4,245.06</b>
<b>Other comprehensive income:</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain / (loss) on defined benefit obligations		(92.09)	(95.58)
Income tax effect		23.18	33.40
Share of OCI in Associate		(0.13)	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)</b>		<b>(69.04)</b>	<b>(62.18)</b>
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedge reserve		(54.22)	54.22
Exchange difference on translation of foreign operations		17.42	(14.31)
Income tax effect		18.95	(18.95)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)</b>		<b>(17.85)</b>	<b>20.96</b>
<b>Other comprehensive income for the year, net of tax (A+B) (II)</b>		<b>(86.89)</b>	<b>(41.22)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>2,866.59</b>	<b>4,203.84</b>
<b>Net Profit for the year attributable to:</b>		<b>2,953.48</b>	<b>4,245.06</b>
- Owners of the Company		2,953.48	4,245.06
- Non-controlling interests		-	-
<b>Total comprehensive income for the year attributable to:</b>		<b>2,866.59</b>	<b>4,203.84</b>
- Owners of the Company		2,866.59	4,203.84
- Non-controlling interests		-	-
Earnings per share of INR 5 each	30		
Basic earnings per share		12.99	18.68
Diluted earnings per share		12.95	18.59

Summary of significant accounting policies

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

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

As per our report of even date.

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

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

**Murugavel Janakiraman**  
Chairman & Managing Director  
DIN: 00605009

**Aravind K**  
Partner  
Membership No: 221268

**Sushanth S Pai**  
Chief Financial Officer

**S Vijayanand**  
Company Secretary

Place: Chennai  
Date : May 20, 2020

Place: Chennai  
Date : May 20, 2020

Place: Chennai  
Date : May 20, 2020

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(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
<b>As at April 1, 2018</b>	22,710,911	1,135.55
Issue of equity shares (Note 13)	18,445	0.92
<b>As at March 31, 2019</b>	22,729,356	1,136.47
Issue of equity shares (Note 13)	36,817	1.84
<b>As at March 31, 2020</b>	<b>22,766,173</b>	<b>1,138.31</b>

## b. Other equity

For the year ended March 31, 2020

Particulars	Securities premium reserve (Note 14)	Retained earnings (Note 14)	Share-based payment reserve (Note 14)	Items of OCI		Total other equity
				Foreign currency translation reserve (Note 14)	Cash flow hedge reserve (Note 14)	
<b>As at April 1, 2019 (Restated)*</b>	<b>12,539.84</b>	<b>6,393.37</b>	<b>112.44</b>	<b>33.77</b>	<b>35.27</b>	<b>19,114.69</b>
Profit for the year	-	2,953.48	-	-	-	2,953.48
Other comprehensive income (Note 29)	-	(69.04)	-	17.43	(35.27)	(86.88)
<b>Total comprehensive income</b>	<b>-</b>	<b>2,884.44</b>	<b>-</b>	<b>17.43</b>	<b>(35.27)</b>	<b>2,866.60</b>
Exercise of share options (Note 34)	55.06	-	(17.13)	-	-	37.93
Share based payment expenses (Note 23)	-	-	77.70	-	-	77.70
Transferred from share-based payment reserve upon lapse of vested stock options	-	8.52	(8.52)	-	-	-
Cash dividends (including dividend distribution tax)	-	(411.11)	-	-	-	(411.11)
<b>As at March 31, 2020</b>	<b>12,594.90</b>	<b>8,875.22</b>	<b>164.49</b>	<b>51.20</b>	<b>-</b>	<b>21,685.81</b>

For the year ended March 31, 2019 (Restated)\*

Particulars	Securities premium reserve (Note 14)	Retained earnings (Note 14)	Share-based payment reserve (Note 14)	Items of OCI		Total other equity
				Foreign currency translation reserve (Note 14)	Cash flow hedge reserve (Note 14)	
<b>As at April 1, 2018</b>	<b>12,502.66</b>	<b>2,991.37</b>	<b>87.24</b>	<b>48.08</b>	<b>-</b>	<b>15,629.35</b>
Effect of adoption of Ind-AS 116 "Lease" (Refer Note 2.4 (a))	-	(371.01)	-	-	-	(371.01)
<b>As at April 1, 2018 (Restated)*</b>	<b>12,502.66</b>	<b>2,620.36</b>	<b>87.24</b>	<b>48.08</b>	<b>-</b>	<b>15,258.34</b>
Profit for the year	-	4,245.06	-	-	-	4,245.06
Other comprehensive income (Note 29)	-	(62.18)	-	(14.31)	35.27	(41.22)
<b>Total comprehensive income</b>	<b>-</b>	<b>4,182.88</b>	<b>-</b>	<b>(14.31)</b>	<b>35.27</b>	<b>4,203.84</b>
Exercise of share options (Note 34)	37.18	-	(10.91)	-	-	26.27
Share based payment expenses (Note 23)	-	-	37.16	-	-	37.16
Transferred from share-based payment reserve upon lapse of vested stock options	-	1.05	(1.05)	-	-	-
Cash dividends (including dividend distribution tax)	-	(410.92)	-	-	-	(410.92)
<b>As at March 31, 2019 (Restated)*</b>	<b>12,539.84</b>	<b>6,393.37</b>	<b>112.44</b>	<b>33.77</b>	<b>35.27</b>	<b>19,114.69</b>

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

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

As per our report of even date.

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

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

Aravind K

Partner  
Membership No: 221268

Place: Chennai  
Date : May 20, 2020

Murugavel Janakiraman

Chairman & Managing Director  
DIN: 00605009

Sushanth S Pai

Chief Financial Officer

Place: Chennai  
Date : May 20, 2020

S Vijayanand

Company Secretary

Place: Chennai  
Date : May 20, 2020



# Consolidated Statement of Cash flows

for the year ended March 31, 2020

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

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>Cash flow from / (used in) operating activities</b>			
Profit before tax		3,907.65	5,849.63
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation and amortisation expense	24	2,796.36	2,651.01
Share of (profit) / loss of associate		6.40	-
Impact of fair value changes of interest free security deposits (net)	25	(66.44)	(65.12)
Reversal of excess interest provision on income tax		-	(3.62)
(Profit) / loss on sale / write-off of property, plant and equipment (net)		(4.38)	7.35
Unrealised foreign exchange (gain) / loss		17.18	(11.76)
Impairment of financial assets	27	105.42	79.46
Impairment loss on asset held for sale	27	65.44	-
Share based payment expenses	23	77.70	37.16
Provision for litigation	27	112.68	-
Liabilities no longer required written back	22	(0.38)	(28.48)
Interest expense	25	512.63	479.76
Fair value (gain) / loss on mutual fund investments at FVTPL	21	(981.41)	(723.98)
Interest income	21	(585.10)	(604.22)
<b>Operating profit before working capital changes</b>		<b>5,963.75</b>	<b>7,667.19</b>
Movement in working capital :			
(Increase) / decrease in financial assets		3.31	19.21
(Increase) / decrease in other assets		29.64	(68.38)
Increase / (decrease) in trade payables		995.48	313.96
Increase / (decrease) other liabilities		(483.12)	468.11
Increase / (decrease) in long / short term provisions		(60.51)	7.11
<b>Cash generated from / (used in) operations</b>		<b>6,448.55</b>	<b>8,407.20</b>
Income taxes paid (net of refunds)		(740.14)	(1,535.37)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>5,708.41</b>	<b>6,871.83</b>
<b>Cash flow from / (used in) investing activities</b>			
Purchase of property, plant and equipment including intangible assets and capital advances		(1,170.15)	(1,922.46)
Proceeds from sale of property, plant and equipment		18.36	5.16
Investment in associate		(614.43)	-
Proceeds from sales of mutual funds		11,271.39	8,171.82
Purchase of mutual funds		(8,650.00)	(13,750.00)
Interest received		500.03	490.20
Redemption of bank deposits (with maturity more than three months)		6,217.37	8,112.46
Investment in bank deposits (with maturity more than three months)		(11,014.03)	(6,217.37)
<b>Net cash flow / (used in) investing activities (B)</b>		<b>(3,441.46)</b>	<b>(5,110.19)</b>
<b>Cash flows from / (used in) financing activities</b>			
Proceeds from issue of share capital (including securities premium)		39.77	27.17
Dividend paid (Including dividend distribution tax)		(411.11)	(410.92)
Receipt / (repayment) of borrowings (net)		-	(641.47)
Payment of principal portion of lease liabilities		(1,472.58)	(1,376.40)
Interest paid		(512.63)	(479.76)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(2,356.55)</b>	<b>(2,881.38)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(89.60)</b>	<b>(1,119.74)</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency		0.40	(1.48)
Cash and cash equivalents at the beginning of the year		542.42	1,663.64
<b>Cash and cash equivalents at the end of the year (refer note 5)</b>		<b>453.22</b>	<b>542.42</b>

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

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

As per our report of even date.

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

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

**Murugavel Janakiraman**  
Chairman & Managing Director  
DIN: 00605009

**Aravind K**  
Partner  
Membership No: 221268

**Sushanth S Pai**  
Chief Financial Officer

**S Vijayanand**  
Company Secretary

Place: Chennai  
Date : May 20, 2020

Place: Chennai  
Date : May 20, 2020

Place: Chennai  
Date : May 20, 2020

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# Notes to the consolidated financial statements

for the year ended March 31, 2020

## 1. Corporate information

The consolidated financial statements comprise financial statements of Matrimony.com Limited (the 'Company') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2020. Matrimony.com Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Group offers online matchmaking services on internet and mobile platforms. The Group delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India. Such services are primarily delivered online through popular domain specific web portals like BharatMatrimony.com, CommunityMatrimony.com, AssistedMatrimony.com and EliteMatrimony.com. Revenue comprises of membership subscription, assisted matrimonial service fees and sales from online advertising packages. The Group has expanded into marriage services such as Mandap & Mbazaar, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Group also provides photography and videography services to the customers in Tamil Nadu, Kerala, Karnataka and Telangana. The sources are primarily lead obtained from wedding card printers, profiles which are matched and referrals.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 20, 2020.

## 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. An additional balance sheet as at 1<sup>st</sup> April 2018 is presented in these consolidated financial statements due to the retrospective application of accounting policies as a result of the adoption of Ind-AS 116 Leases. See Note 2.4 (a)

### 2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31<sup>st</sup> March 2020. 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)



# Notes to the consolidated financial statements

for the year ended March 31, 2020

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31<sup>st</sup> March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind-AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line

# Notes to the consolidated financial statements

for the year ended March 31, 2020

with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

## 2.3. Summary of significant accounting policies

### a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current

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

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





# Notes to the consolidated financial statements

for the year ended March 31, 2020

## b) Property, plant and equipment

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

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

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

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

## c) Intangible assets

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

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

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

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

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

The amortisation period and the amortisation method are reviewed at least at each reporting period end. If the expected useful life of the asset is significantly different from previous estimated, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are treated as changes in accounting estimates.

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

# Notes to the consolidated financial statements

for the year ended March 31, 2020

## 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.

### 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-measurements 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	11 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.



# Notes to the consolidated financial statements

for the year ended March 31, 2020

## 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 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

## **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 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).



# Notes to the consolidated financial statements

for the year ended March 31, 2020

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., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## j) Retirement and other employee benefits

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

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

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

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

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

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

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

# Notes to the consolidated financial statements

for the year ended March 31, 2020

## k) Government Grants

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

## l) Taxes

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

### Current income tax

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

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

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

### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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



# Notes to the consolidated financial statements

for the year ended March 31, 2020

## m) Share based payments

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

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

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

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

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

## 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

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

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

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

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

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

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

## q) Financial instruments

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

### Financial assets

#### **Initial recognition and measurement**

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

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

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.





# Notes to the consolidated financial statements

for the year ended March 31, 2020

## 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 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, 2020

## 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 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.



# Notes to the consolidated financial statements

for the year ended March 31, 2020

- 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.

### 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

## Offsetting of financial instruments

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

### r) Derivative financial instruments and hedge accounting

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

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

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

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

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

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. Refer to Note 41 for more details.

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

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

### s) Cash and cash equivalents

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



# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## t) Earnings per share

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

## u) 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

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

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

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

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

## w) 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

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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.

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

## **x) 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,



# Notes to the consolidated financial statements

for the year ended March 31, 2020

- 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

### New and amended standards

The Company applied Ind-AS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards is described below.

Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

#### a) Ind-AS 116 Leases

Ind-AS 116 was effective for annual periods beginning on or after 1<sup>st</sup> April 2019 and supersedes Ind-AS 17 Leases including its appendices (Appendix C of Ind-AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind-AS 17 Operating Leases-Incentives and Appendix B of Ind-AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Effective April 1, 2019, the Company has adopted Ind-AS 116 "Leases" and applied it to all lease contracts existing on April 1, 2018 (transition date) using the Full retrospective method and has taken the cumulative adjustment to retained earnings, on the transition date. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate for different periods and the right of use asset at its amortised value as if the standard had already been effective at the commencement date of the respective leases. Comparative for the year ended March 31, 2019 has been retrospectively restated to reflect the adoption of Ind-AS 116.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

The effect of adoption of Ind-AS 116 is as follows:

Impact on consolidated balance sheet (increase / (decrease)):

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>ASSETS</b>			
Right of use asset	5,689.99	4,789.12	3,730.88
Other non-current assets	(266.04)	(216.12)	(200.75)
Deferred tax assets (net)	179.77	183.65	152.43
<b>Total Assets</b>	<b>5,603.72</b>	<b>4,756.65</b>	<b>3,682.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained earnings	(515.54)	(437.88)	(371.01)
<b>Total equity</b>	<b>(515.54)</b>	<b>(437.88)</b>	<b>(371.01)</b>
<b>Liabilities</b>			
Lease liabilities	6,119.26	5,194.53	4,053.57
<b>Total Liabilities</b>	<b>6,119.26</b>	<b>5,194.53</b>	<b>4,053.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,603.71</b>	<b>4,756.65</b>	<b>3,682.56</b>

Impact on statement of profit and loss (increase/(decrease) in profit):

	Year ended March 31, 2020	Year ended March 31, 2019
Other expenses	(2,050.44)	(1,921.07)
Depreciation and amortisation expense	1,615.29	1,542.76
Finance costs	509.07	476.40
Tax expense	(21.03)	(31.22)
<b>Profit for the period</b>	<b>(52.89)</b>	<b>(66.87)</b>
<b>Attributable to:</b>		
- Equity holders of the parent	(52.89)	(66.87)
- Non-controlling interests	-	-

Impact on standalone statement of cash flows (increase/(decrease)):

	Year ended March 31, 2020	Year ended March 31, 2019
Operating lease payments*	1,981.64	1,852.80
<b>Net cash flows from operating activities</b>	<b>1,981.64</b>	<b>1,852.80</b>
Payment of principal portion of lease liabilities	(1,472.58)	(1,376.40)
Payment of interest portion of lease liabilities	(509.07)	(476.40)
<b>Net cash flows from financing activities</b>	<b>(1,981.64)</b>	<b>(1,852.80)</b>

\*Composed of different line items in the indirect reconciliation of operating cash flows





# Notes to the consolidated financial statements

for the year ended March 31, 2020

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

Upon adoption of Ind-AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As at April 1, 2018, March 31, 2019 and March 31, 2020:

- 'Right-of-use assets' were recognised and presented separately in the balance sheet. Lease assets recognised previously under finance leases, which were included under 'Property, plant and equipment', were derecognised.
- Additional lease liabilities were recognised and presented under Financial liabilities
- 'Prepayments' and 'Trade and other payables' related to previous operating leases were derecognised.
- 'Deferred tax liabilities' decreased because of the deferred tax impact of the changes in recognised lease related assets and liabilities.
- 'Retained earnings' and 'Non-controlling interests' decreased due to the net impact of these adjustments.

For the year ended March 31, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increase in Depreciation and Amortization Expenses of Rs. 1,615.29 lakhs (March 2019: Rs. 1,542.76 lakhs)
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased by Rs. 2,050.44 lakhs (March 2019 Rs. 1,921.07 lakhs)
- 'Finance costs' increased by Rs. 509.07 lakhs (March 2019: Rs. 476.40 lakhs) relating to the interest expense on additional lease liabilities recognised.
- 'Deferred tax expense' decreased by Rs. 21.03 lakhs (March 2019: Rs. 31.22 lakhs) relating to the tax effect of these changes in expenses.
- Cash outflows from operating activities decreased by Rs. 1,981.64 lakhs (March 2019: Rs. 1,852.80 lakhs) and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

## b) Appendix C to Ind-AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind-AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind-AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

# Notes to the consolidated financial statements

for the year ended March 31, 2020

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind-AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

## **c) Amendments to Ind-AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1<sup>st</sup> April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

## **d) Amendments to Ind-AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1<sup>st</sup> April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.



# Notes to the consolidated financial statements for the year ended March 31, 2020

(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, 2018	2,250.27	382.83	86.93	157.53	231.64	4,359.66	99.35	7,568.21	276.20	17.61	850.30	1,144.11
Additions	1,455.82	86.19	45.75	287.58	-	-	-	1,875.34	40.13	-	22.61	62.74
Translation differences	(0.50)	0.65	(0.77)	-	-	-	-	(0.62)	-	-	-	-
Disposals	(40.72)	(29.36)	(32.03)	(29.52)	(11.03)	-	-	(142.66)	-	-	-	-
As at March 31, 2019	3,664.87	440.31	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
Depreciation/Amortisation as at April 1, 2018	879.41	180.54	51.09	118.30	62.96	-	30.48	1,322.78	67.59	11.62	549.28	628.49
Charge for the year	587.35	90.54	39.90	53.54	48.92	-	15.21	835.46	79.08	1.45	192.25	272.78
Translation differences	(0.02)	-	(0.03)	-	-	-	-	(0.05)	-	-	-	-
Disposals	(39.67)	(27.56)	(31.76)	(23.51)	(7.65)	-	-	(130.15)	-	-	-	-
Depreciation/Amortisation as at March 31, 2019	1,427.07	243.52	59.20	148.33	104.23	-	45.69	2,028.04	146.67	13.07	741.53	901.27
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
Net Block												
As at April 1, 2018	1,370.86	202.29	35.84	39.23	168.68	4,359.66	68.87	6,245.43	208.61	5.99	301.02	515.62
As at March 31, 2019	2,237.80	196.79	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	55.88	327.94
Assets held for sale (refer note b)	-	-	-	-	-	-	-	-	-	-	-	-

(a) The amount of borrowing costs capitalised during the year ended March 31, 2020 was Rs. Nil (March 31, 2019: Rs. Nil; April 1, 2018: Rs. Nil).

(b) As at March 31, 2020, 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. These assets are available for immediate sale in its present condition and management is committed to sell these assets. Accordingly, management has classified these assets as assets held for sale. Management is evaluating opportunities to monetise these assets. However, due to COVID-19 pandemic, there is uncertainty in determining the recoverable amount as well as uncertainties in the timing of such sales in order to monetise the same. Further, in the current lockdown situation, management is also not able to obtain quotations from parties for sale of these assets without physical inspection etc., Accordingly, 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
<b>4 Security deposits</b>		
<b>(at amortised cost)</b>		
<b>Non-current</b>		
Security deposits		
- Considered good	858.75	811.52
- Considered doubtful	15.66	22.90
	<b>874.41</b>	<b>834.42</b>
Less: impairment allowance on deposits	15.66	22.90
	<b>858.75</b>	<b>811.52</b>
<b>Current</b>		
Security deposits		
- Considered good	349.53	388.90
	<b>1,208.28</b>	<b>1,200.42</b>
<b>5 Cash and cash equivalents</b>		
Balances with banks on current accounts	416.18	488.88
Cheques on hand	3.58	15.44
Cash on hand	33.46	38.10
	<b>453.22</b>	<b>542.42</b>
<b>6 Bank balances other than cash and cash equivalents</b>		
<b>(at amortised cost)</b>		
<b>Non-current</b>		
Deposits with original maturity for more than 12 months	0.75	0.75
<b>Current</b>		
Deposits with original maturity of more than 3 months but less than 12 months *	11,014.03	6,217.37
*The Group has pledged Rs. 1,000.00 lakhs as on March 31, 2020 (Rs. 1,000.00 lakhs as on March 31, 2019) of its deposits to fulfil collateral requirements relating to the overdraft facility with HDFC bank which is repayable on demand.		
<b>7 Derivative instruments</b>		
<b>(at fair value)</b>		
Cash flow hedges - Foreign exchange forward contracts	-	54.22



# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
<b>8 Other financial assets</b>		
<b>(at amortised cost)</b>		
Interest accrued on fixed deposits	414.75	329.68
Loans to employees		
- Considered good	43.95	37.13
- Considered doubtful	3.91	3.87
	<b>47.86</b>	<b>41.00</b>
Less: impairment allowance	3.91	3.87
	<b>43.95</b>	<b>37.13</b>
Other receivables from related parties (refer note 37)	3.21	43.30
	<b>461.91</b>	<b>410.11</b>
<b>9 Investments (at fair value through profit and loss)</b>		
<b>Investment in mutual funds</b>		
60,800.82 units (March 31, 2019: Nil units) Kotak Money Market Scheme Growth	2,006.62	-
67,913.25 units (March 31, 2019: Nil units) L&T ultra short term fund growth	22.19	-
7,89,460.25 units (March 31, 2019: 3,92,664.51 units) Aditya birla sun life money manager fund growth	2,124.86	982.75
5,609.66 units (March 31, 2019: 31,002.11 units) UTI liquid cash plan - IP growth	181.61	945.18
2,14,178.17 units (March 31, 2019: 2,14,178.17 units) ICICI prudential savings fund growth	829.62	768.00
65,58,355.77 units (March 31, 2019: 49,30,686.57 units) Kotak savings fund regular growth	2,104.81	1,477.22
34,835.13 units (March 31, 2019: 4,868.82 units) SBI magnum ultra short duration fund growth	1,549.54	201.81
45,526.67 units (March 31, 2019: 68,035.98 units) Tata liquid fund - direct plan - growth	1,425.89	2,003.28
14,443.97 units (March 31, 2019: 76,666.63 units) Invesco India liquid fund - direct plan - growth	394.07	1,972.20
63,614.43 units (March 31, 2019: 90,877.30 units) Axis liquid fund - growth	1,395.82	1,875.97
Nil units (March 31, 2019: 69,384.44 units) L&T liquid growth	-	1,771.11
Nil units (March 31, 2019: 16,423.83 units) HDFC liquid fund growth	-	600.93
Nil units (March 31, 2019: 2,46,706.31 units) Aditya birla sun life liquid fund growth	-	737.33
Nil units (March 31, 2019: 11,814.06 units) Tata treasury advantage fund direct growth	-	339.23
<b>Aggregate book value of unquoted current investments</b>	<b>12,035.03</b>	<b>13,675.01</b>
Aggregate amount of book value unquoted investments	12,035.03	13,675.01
Aggregate provision for impairment allowance in value of investments	-	-
Aggregate amount of fair value unquoted investments	12,035.03	13,675.01

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for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>10 Other assets</b>		
<b>Other non-current assets</b>		
Capital advances	25.69	18.87
Prepaid expenses (long-term)	13.59	14.13
Balances with Statutory / Government authorities	109.80	69.08
	<b>149.08</b>	<b>102.08</b>
<b>Other current assets</b>		
Prepaid expenses	260.16	331.05
Balances with Statutory / Government authorities	189.62	126.71
Advances for supply and services	26.90	88.74
	<b>476.68</b>	<b>546.50</b>

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

	As at March 31, 2020	As at March 31, 2019
<b>11 Trade receivables</b>		
<b>(unsecured and at amortised cost)</b>		
Trade receivables		
- Considered good	212.26	342.07
- Significant increase in credit risk	-	11.84
- Credit impaired	19.72	69.11
	<b>231.98</b>	<b>423.02</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
- Significant increase in credit risk	-	5.92
- Credit impaired	19.72	69.11
	<b>212.26</b>	<b>347.99</b>

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.

<b>12 Deferred tax assets (net)</b>		
<b>Nature - Asset / (Liability)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019 (Restated)*</b>
<b>Deferred tax assets</b>		
Minimum alternative tax credit entitlement (MAT credit)	-	152.34



# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

12 Deferred tax assets (net) (Continued)		
Nature - Asset / (Liability) (Continued)	As at March 31, 2020	As at March 31, 2019 (Restated)*
Less: Utilised during the year	-	152.34
	-	-
Deferred tax assets	388.51	416.48
Deferred tax liabilities	(207.40)	(42.37)
<b>Deferred tax asset (net)</b>	<b>181.11</b>	<b>374.11</b>
<b>Reconciliation of deferred tax asset (net)</b>		
Opening balance	374.11	433.04
Tax income / (expense) during the year in profit and loss*	(211.94)	78.96
Tax income / (expense) during the year in OCI	18.94	14.45
MAT credit entitlement for the year	-	(152.34)
<b>Closing balance</b>	<b>181.11</b>	<b>374.11</b>
<b>*Reconciliation of tax income / (expense) during the year in profit and loss</b>		
Tax income / (expense) during the year in profit and loss	(211.94)	(29.05)
MAT credit entitlement for the year	-	6.27
Tax income / (expense) relating to earlier years	-	101.74
	<b>(211.94)</b>	<b>78.96</b>

Particulars	Balance sheet		Profit and loss		OCI	
	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019
<b>Deferred tax liability</b>						
Impact of fair value gain on mutual funds at fair value through profit or loss	182.23	23.42	158.80	23.42	-	-
CSR donation made subsequent to the year-end which is eligible for deduction in the current year	25.17	-	25.17	-	-	-
Impact of unrealised gain on cash flow hedge	-	18.95	-	-	(18.95)	18.95
<b>Gross deferred tax liability</b>	<b>207.40</b>	<b>42.37</b>	<b>183.97</b>	<b>23.42</b>	<b>(18.95)</b>	<b>18.95</b>
<b>Deferred tax asset</b>						
Impact of opening lease liability recognised upon retrospective implementation of Ind-AS 116 "Lease"	179.78	183.65	(3.88)	31.22	-	-
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	131.17	138.68	(7.50)	(40.81)	-	33.40

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

<b>12 Deferred tax assets (net) (Continued)</b>						
Particulars	Balance sheet		Profit and loss		OCI	
	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019 (Restated)*	March 31, 2020	March 31, 2019
<b>Deferred tax asset (Continued)</b>						
Impairment allowance (doubtful debts and advances)	5.95	27.57	(21.62)	(13.15)	-	-
Capital expenditure disallowed	5.06	-	5.06	-	-	-
Provision for deposits	3.94	8.00	(4.06)	3.24	-	-
Impact of difference between written down value of property, plant and equipment in books for financial reporting and tax books	62.34	58.20	4.14	121.88	-	-
Others Ind-AS adjustment	0.27	0.38	(0.11)	-	-	-
<b>Gross deferred tax asset</b>	<b>388.51</b>	<b>416.48</b>	<b>(27.97)</b>	<b>102.38</b>	<b>-</b>	<b>33.40</b>
<b>Net deferred tax asset / (deferred tax liability)</b>	<b>181.11</b>	<b>374.11</b>	<b>(211.94)</b>	<b>78.96</b>	<b>18.95</b>	<b>14.45</b>
The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.						
At 31 <sup>st</sup> March 2020, 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.						
* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.						

<b>13 Share Capital</b>		
	As at March 31, 2020	As at March 31, 2019
<b>Authorised shares</b>		
3,60,00,000 Equity shares of Rs.5/- each (March 31, 2019: 3,60,00,000 Equity shares of Rs.5/- each)	1,800.00	1,800.00
42,00,000 (March 31, 2019: 42,00,000) Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each	210.00	210.00
<b>Issued, subscribed and fully paid-up equity shares</b>		
2,27,66,173 Equity shares of Rs.5/- each (March 31, 2019: 2,27,29,356 Equity shares of Rs.5/- each)	1,138.31	1,136.47
	<b>1,138.31</b>	<b>1,136.47</b>





# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 13 Share Capital (Continued)

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

Equity shares

	March 31, 2020		March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	22,729,356	1,136.47	22,710,911	1,135.55
Issued during the year - ESOP (refer note 34)	36,817	1.84	18,445	0.92
<b>Outstanding at the end of the year</b>	<b>22,766,173</b>	<b>1,138.31</b>	<b>22,729,356</b>	<b>1,136.47</b>

### (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, 2020		March 31, 2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	11,478,766	50.42%	11,428,766	50.28%
CMDB II	3,366,415	14.79%	3,366,415	14.81%
Mayfield XII, Mauritius	2,378,488	10.45%	2,378,488	10.46%
Nalanda India Equity Fund Limited	2,261,722	9.93%	2,123,500	9.34%

\*Consequent to the consolidation of shares mentioned in Note 13 (d) (ii), 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				
	2019	2018	2017	2016	2015
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Re. 1/- each) (refer note (i))	-	-	-	-	106.50
Subsequently consolidated into equity shares of Rs. 3/- each (refer note (ii))	-	-	-	-	63.90
Securities premium utilised for Bonus Shares issued on conversion of CCPS (refer note (iii))	-	-	138.90	-	-

(i) On December 31, 2014, the Company issued bonus shares to the existing share holders, in the ratio of 18:100. The Securities premium account was utilised to the extent of Rs. 74.69 lakhs for the issue of said bonus shares. On January 27, 2015, the Company issued bonus shares to the existing share holders, in the ratio of 1:2. The Securities premium account was utilised to the extent of Rs. 244.82 lakhs for the issue of said bonus shares.

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## 13 Share Capital (Continued)

### (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: (Continued)

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

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

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

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

### (f) During the year ended March 31, 2020, the Company has not issued shares for consideration other than cash.

## 14 Other equity

	As at March 31, 2020	As at March 31, 2019
<b>(a) Securities premium account</b>		
Opening balance	12,539.84	12,502.66
Add: exercise of stock options	55.06	37.18
<b>Closing balance</b>	<b>12,594.90</b>	<b>12,539.84</b>

	As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>(b) Retained earnings</b>		
Opening balance	6,393.37	2,991.37
Profit for the year	2,953.48	4,245.06
Re-measurement gain/(loss) on defined benefit plans (net of tax impact) (refer note 29)	(69.04)	(62.18)
Add: transferred from share-based payments reserve upon lapse of stock options	8.52	1.05
Less: Cash dividend (including dividend distribution tax)**	(411.11)	(410.92)
Recognition of reserve on retrospective implementation of Ind-AS 116 "Lease" (Opening Adjustment)	-	(371.01)
<b>Closing balance</b>	<b>8,875.22</b>	<b>6,393.37</b>

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

### \*\*Distribution made and proposed

<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31 <sup>st</sup> March 2020: Rs. Nil per share (31 <sup>st</sup> March 2019: Rs. 1.5 per share)	340.94	340.86
Dividend distribution tax	70.08	70.06
	<b>411.02</b>	<b>410.92</b>



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<b>14</b>	<b>Other equity (Continued)</b>		
<b>(b)</b>	<b>Retained earnings (Continued)</b>		
		<b>As at March 31, 2020</b>	<b>As at March 31, 2019 (Restated)*</b>
	<b>Proposed dividends on equity shares:</b>		
	Final dividend for the year ended on 31 <sup>st</sup> March 2020: Rs. 3.5 per share, which includes special dividend of Rs. 2.0 per share (31 <sup>st</sup> March 2019: Rs. 1.5 per share)	796.82	340.94
	Dividend distribution tax	-	70.08
		<b>796.82</b>	<b>411.02</b>
	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.		
<b>(c)</b>	<b>Share-based payment reserve</b>		
	Opening	112.44	87.24
	Addition during the year	77.70	37.16
	Less: transferred to security premium on exercise of stock options	(17.13)	(10.91)
	Less: transferred to retained earnings upon lapse of stock options	(8.52)	(1.05)
	<b>Closing balance</b>	<b>164.49</b>	<b>112.44</b>
<b>(d)</b>	<b>Foreign currency translation reserve</b>		
	Opening	33.77	48.08
	Addition during the year	17.43	(14.31)
	<b>Closing balance</b>	<b>51.20</b>	<b>33.77</b>
<b>(e)</b>	<b>Cash flow hedge reserve</b>		
	Opening balance	35.27	-
	Addition during the year	(35.27)	35.27
	<b>Closing balance</b>	<b>-</b>	<b>35.27</b>
	<b>Total other equity</b>	<b>21,685.81</b>	<b>19,114.69</b>
<b>15</b>	<b>Borrowings (at amortised cost)</b>		
	<b>Current</b>		
	Bank overdraft (secured)*	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	Effective interest rate (%)	7.65%	8.15%
	* The Company maintains overdraft facility with HDFC bank which is repayable on demand and the Company's overdraft balance as at March 2020 and March 2019 is Nil. The said facility is secured by way of lien on fixed deposit upto extent of Rs. 1,000.00 lakhs marked in favour of the bank.		

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		As at March 31, 2020	As at March 31, 2019
<b>16</b>	<b>Trade &amp; other payables</b>		
	<b>(at amortised cost)</b>		
<b>(a)</b>	<b>Trade payables</b>		
	<b>Current</b>		
	Trade payables (refer note 31)	2,667.50	1,624.02
	Dues to employees	437.33	484.80
	Dues to related parties	1.25	-
		<b>3,106.08</b>	<b>2,108.82</b>
<b>(b)</b>	<b>Other payables</b>		
	<b>Current</b>		
	Payables for capital purchases	206.89	62.65
		<b>206.89</b>	<b>62.65</b>
Trade payables and other payables are generally non-interest bearing and is in the range of 0 to 3 months.			
For Group's credit risk management process refer note 41.			

		As at March 31, 2020	As at March 31, 2019 (Restated)*
<b>17</b>	<b>Lease liabilities</b>		
	<b>Non-current</b>		
	Lease liabilities	4,632.95	4,127.32
	<b>Current</b>		
	Lease liabilities	1,486.31	1,067.22
		<b>6,119.26</b>	<b>5,194.54</b>
* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.			

		As at March 31, 2020	As at March 31, 2019
<b>18</b>	<b>Other liabilities</b>		
	<b>Non-current</b>		
	Deferred revenue	14.54	38.10
	<b>Current</b>		
	Deferred revenue	6,954.37	7,172.59
	Advances from customers	48.98	179.60
	Withholding and other taxes payable	437.04	548.14
		<b>7,440.39</b>	<b>7,900.33</b>
		<b>7,454.93</b>	<b>7,938.43</b>



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	As at March 31, 2020	As at March 31, 2019
<b>19 Provisions</b>		
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 35)	-	-
	-	-
<b>Current</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 35)	198.21	180.22
- Provision for leave benefits	273.53	250.01
<b>Other provisions</b>		
Provision for litigations (refer note below)	283.37	180.49
	<b>755.11</b>	<b>610.72</b>
<b>Provision for litigations:</b>		
The movement of provision for litigation during the period is given below:		
Opening balance	180.49	193.78
Additions	112.68	-
Utilisation / payment	(9.80)	(13.29)
Closing balance	<b>283.37</b>	<b>180.49</b>

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

(b) Employees' Provident Fund (EPF) : During the year ended March 31, 2015, the Company received a demand order from Regional Commissioner of Provident Fund, on account of non- inclusion of various allowances for the calculation of Provident Fund (PF) contribution for the period April 2012 to May 2014. Honourable Supreme Court has issued an order dated February 28, 2019, in a matter similar to the case involving the company as detailed above. Further, during the year, 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. Company has obtained an interim stay on this demand by depositing 25% of the demand. 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 as at March 31, 2020, has made a provision for the demand including interest amounting to Rs. 166.19 lakhs in respect of identifiable employees. 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 has provided for the demand amounting to Rs.69.96 lakhs in respect of non-identifiable employees. The Company has created the 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 SC 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.

(c) 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 2007-08 to 2011-12. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and is in the process of filing appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT). 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 the year. 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. (also refer note 36(c))

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	Year ended March 31, 2020	Year ended March 31, 2019
<b>20 Revenue from contracts with customers</b>		
Income from services	43,048.71	40,513.39
Less : taxes collected from customers	(5,865.18)	(5,670.64)
	<b>37,183.53</b>	<b>34,842.75</b>
<b>Disaggregated revenue information</b>		
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
<b>Type of service:</b>		
Match making services	36,044.35	33,577.77
Marriage services	1,139.18	1,264.98
<b>Total revenue from contracts with customers</b>	<b>37,183.53</b>	<b>34,842.75</b>
<b>Geographical revenue:</b>		
India	31,943.09	29,802.47
Outside India	5,240.44	5,040.28
<b>Total revenue from contracts with customers</b>	<b>37,183.53</b>	<b>34,842.75</b>
<b>Timing of revenue recognition:</b>		
Service transferred at a point in time	1,059.63	1,164.14
Services transferred over time	36,123.90	33,678.61
<b>Total revenue from contracts with customers</b>	<b>37,183.53</b>	<b>34,842.75</b>
<b>Contract balances</b>		

	As at March 31, 2020	As at March 31, 2019
Trade receivables	212.26	347.99
Contract assets	-	-
Contract liabilities	7,017.89	7,390.30

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, 2020	Year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	7,219.60	6,538.72
Performance obligations satisfied in previous years	-	-

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

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



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## 20 Revenue from contracts with customers (Continued)

### Performance obligation

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

#### Matchmaking services

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

#### Marriage services

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

##### -Photography services

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

##### -Matrimony Bazaar services

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

##### -Matrimony Mandap Services

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>21 Finance income</b>		
Interest income from:		
- Bank deposits	575.26	593.36
- Interest Income on Rental deposit	66.44	65.12
- Interest on loan	9.84	10.86
Income from mutual fund investments	981.41	723.98
	<b>1,632.95</b>	<b>1,393.32</b>
<b>22 Other income</b>		
Liabilities no longer required written back	0.38	28.48
Government contribution to employee provident fund*	85.03	122.88
Miscellaneous income	67.57	14.00
	<b>152.98</b>	<b>165.36</b>
*Government grants		

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	Year ended March 31, 2020	Year ended March 31, 2019
<b>22 Other income (Continued)</b>		
<b>At April 1</b>	-	-
Received during the year	85.03	122.88
Released to the statement of profit and loss	(85.03)	(122.88)
<b>At March 31</b>	-	-
Government grant have been received under Pradhan Mantri Rojgar Protsahan Yojana ('PMRPY') scheme for incentivising employers for generation of new employments.		

<b>23 Employee benefit expense</b>		
Salaries, wages and bonus	13,830.92	12,649.31
Contribution to provident and other fund	902.66	933.00
Gratuity expense (refer note 35)	95.68	80.16
Share based payment expenses	77.70	37.16
Staff welfare expenses	366.83	388.53
Recruitment and training	72.59	59.90
	<b>15,346.38</b>	<b>14,148.06</b>

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>24 Depreciation and amortisation expense</b>		
Depreciation of tangible assets	2,573.44	2,378.23
Amortisation of intangible assets	222.92	272.78
	<b>2,796.36</b>	<b>2,651.01</b>

<b>25 Finance cost</b>		
Bank charges	12.32	6.12
Interest	512.63	479.75
	<b>524.95</b>	<b>485.87</b>

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

	Year ended March 31, 2020	Year ended March 31, 2019
<b>26 Advertisement and business promotion expenses</b>		
Advertisement	10,249.96	7,508.57
Business promotion expenses	552.78	595.26
	<b>10,802.74</b>	<b>8,103.83</b>





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	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>27 Other expenses</b>		
Web hosting charges	610.85	651.65
Electricity	563.16	535.42
Rates and taxes	132.35	13.59
Insurance	80.30	68.23
Repairs and maintenance - others	598.90	629.41
Travelling and conveyance	379.93	314.39
Communication costs	726.84	688.07
Printing and stationery	35.17	30.94
Legal and professional fees #	853.56	631.40
Directors' sitting fees	64.50	56.00
Directors commission	25.00	-
Exchange differences (net)	-	8.63
Impairment allowance on financial assets	273.35	187.27
Less: Bad debts written off	(167.93)	(107.81)
Impairment allowance on financial assets (net)	105.42	79.46
Loss on sale/ write off of property, plant and equipment (net)	-	7.35
Collection charges	846.96	827.25
Outsourced photography service charges	380.81	553.68
Impairment loss on asset held for sale	65.44	-
CSR expenses ##	80.88	1.80
Miscellaneous expenses	35.03	65.76
	<b>5,585.10</b>	<b>5,163.03</b>
* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.		

	Year ended March 31, 2020	Year ended March 31, 2019
<b># Payment to auditor (Included under legal and professional fees)</b>		
<b>As auditor:</b>		
Audit fee	26.00	26.00
Limited review	9.00	9.00
Tax audit fee	1.00	1.00
<b>In other capacity:</b>		
Others (including certification fees)	5.50	1.00
	<b>41.50</b>	<b>37.00</b>

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## 27 Other expenses (Continued)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>## Details of CSR expenditure</b>		
Gross amount required to be spend by the Group during the year	131.49	39.80
<b>Amount spent during the year ended on 31<sup>st</sup> March 2020:</b>	<b>In Cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	80.88	50.61
<b>Amount spent during the year ended on 31<sup>st</sup> March, 2019:</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.80	38.00

	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>28 Income tax expense</b>		
The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:		
<b><u>Profit or loss section</u></b>		
<b>Current tax:</b>		
Current income tax charge	785.99	1,568.71
Adjustments in respect of current income tax of previous year	(43.76)	6.81
<b>Deferred tax:</b>		
Relating to the origination and reversal of temporary differences	211.94	29.05
<b>Income tax expense reported in the statement of profit and loss</b>	<b>954.17</b>	<b>1,604.57</b>
<b><u>Other comprehensive income (OCI) section</u></b>		
Net loss on re-measurement of defined benefit obligation	(42.13)	(14.45)
<b>Income tax charged to OCI</b>	<b>(42.13)</b>	<b>(14.45)</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:</b>		
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% & 34.94% respectively for year ended March 31, 2020 and March 31, 2019) as follows:		
<b>Accounting profit before income tax (A)</b>	<b>3,907.65</b>	<b>5,849.63</b>
Profit before income tax multiplied by standard rate of corporate tax in India of 25.17% (31 <sup>st</sup> March 2019: 34.94%)	983.48	2,044.09



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	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>28 Income tax expense (Continued)</b>		
<b>Adjustments</b>		
Non-deductible expenses	9.13	17.56
Losses utilised on which deferred taxes were not recognised in earlier years (Note 12)	(1.83)	(404.81)
Unrecognised deferred taxes on losses and certain temporary differences (net) arising during the year (Note 12)	-	15.03
Difference in tax rates across jurisdictions	(63.57)	(11.30)
Impact of change in income tax rate**	83.40	-
Deduction u/s 80JJAA of the Income Tax Act, 1961	(43.29)	(28.47)
Tax on Inter company dividend eliminated	29.03	-
Tax on share of loss of associate	1.58	-
Dividend income-exempt from tax	-	(34.34)
<b>At the effective income tax rate of 25.54% (31<sup>st</sup> March 2019: 27.31%)</b>	<b>997.93</b>	<b>1,597.76</b>
Total current tax expense reported in the statement of profit and loss	997.93	1,597.76
Total tax expense / (income) reported in the other comprehensive income	-	-
<b>Total tax expense</b>	<b>997.93</b>	<b>1,597.76</b>
<b>Reconciliation of total tax expenses</b>		
Income tax expense reported in the statement of profit and loss	954.17	1,604.57
Less: Tax expense relating to previous year	43.76	(6.81)
<b>Total tax expense</b>	<b>997.93</b>	<b>1,597.76</b>
* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.		
** The Company 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 for the current year and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit and Loss.		
<b>29 Components of other comprehensive income (OCI)</b>		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurement loss on defined benefit plans (net of tax impact)	(69.04)	(62.18)
Foreign exchange translation difference	17.42	(14.31)
Unrealised gain on derivative contracts (net of tax impact)	(35.27)	35.27
	<b>(86.89)</b>	<b>(41.22)</b>

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## 30 Earnings per share (EPS)

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

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
Profit after tax	2,953.48	4,245.06
Weighted average number of equity shares		
- Basic	22,734,489	22,726,189
Effect of dilution:		
(i) Share options	79,044	1,03,035
- Diluted	22,813,533	22,829,224
Earning per share of Rs.5.00/- each		
- Basic	12.99	18.68
- Diluted	12.95	18.59

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

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

The information regarding micro or small enterprise has been determined on the basis of information available with the management and dues including interest to Micro and Small & Medium Enterprises as on March 31, 2020 are Rs. 3.95 lakhs (March 31, 2019: Rs. 2.95 lakhs)\*.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount due to suppliers under MSMED Act	6.53	14.56
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.34	0.57
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	8.03	61.34
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due to suppliers under MSMED Act, for payments already made	3.61	2.38
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	3.95	2.95



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## 31 Details of dues to micro and small enterprises as defined under the Micro, Small & Medium Enterprises Development Act, 2006 (Continued)

\*The Company has 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 has provided interest under MSMED Act during the year.

## 32 Significant accounting judgements, estimates and assumptions

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

The estimates and underlying assumptions are reviewed on an 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.

#### (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 40 for further disclosures.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 32 Significant accounting judgements, estimates and assumptions (Continued)

### (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 the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (i) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

#### (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.



# Notes to the consolidated financial statements

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## 32 Significant accounting judgements, estimates and assumptions (Continued)

### (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.

## 33 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, 2020	March 31, 2019
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%
Community Matrimony Private Limited*	Online advertising services	India	NA	100.00%
Matchify Services Private Limited*	Match making related activities and services	India	NA	100.00%
Tambulya Online Marketplace Private Limited*	Sale of gift items and marriage related articles	India	NA	100.00%
Astro Vision Futuretech Private Limited##	Astrology services	India	26.09%	NA

\* During the quarter ended March 31, 2019, the Company received an order from Registrar of Companies confirming the striking off and dissolution of these inactive companies under section 248(2) of the Companies Act, 2013 with effect from February 13, 2019. The results of these subsidiaries are included in the consolidated financial statements of the Group till the period ended March 31, 2018 and there were no operations in these companies post this date.

\*\* Until March 31, 2018, the Group was managing its overseas business through its wholly owned subsidiary, Consim Info USA Inc. under a Business License agreement. With effect from April 1, 2018, the Group changed this arrangement to an Agency model, wherein the Consim Info USA Inc, will act as agent instead of a licensee.

# The Company has incorporated an overseas wholly owned subsidiary "Matrimony DMCC" under the Registrar of Companies of Dubai Multi Commodities Centre Authority, Dubai on 30<sup>th</sup> July, 2018. The subsidiary commenced its operations during the year ended March 31, 2019 and the company has invested 50,000 AED towards equity investment and has granted an interest bearing loan of 2,85,000 AED, repayable within a year, to carry out the principal business operations.

## 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

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## 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. 77.70 lakhs (March 31, 2019: 37.16 lakhs). There are no cancellations or modifications to the awards in March 31, 2020 or March 31, 2019.

### 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, 2016.
Grant 10	February 9, 2016	9,600	01-Apr-2017 to 01-Apr-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017.
Grant 11	June 30, 2016	2,000	01-Jul-2017 to 01-Jul-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017.
Grant 12	March 21, 2018	10,200	01-Apr-2019 to 01-Apr-2021	Eligible on a graded manner over three years period with 30% of the grants vesting at the end of 12 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24 months from the date of grant and 36 months from the date of grant respectively.
Grant 13	March 21, 2018	3,000	01-Apr-2019 to 01-Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019. The remaining 60% of the grants vest at the end of 24 months from the date of grant.





# Notes to the consolidated financial statements

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(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 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-Apr-2020 to 01-Apr-2022	Eligible on a graded manner over three years period with 33.33% of the grants vesting at the end of every 12 months starting from April 1, 2020.
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.

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Outstanding at the beginning of the year	187,978	192,523
Options lapsed during the year	(23,200)	(13,100)
Options granted during the year	80,600	27,000
Options exercised during the year	(36,817)	(18,445)
Outstanding at the end of the year	208,561	187,978
Exercisable at the end of the year	109,831	139,378
The weighted average share price at the date of exercise of the options was Rs. 322.65/- (Face value Rs. 5/- per share).		
The range of exercise prices for options outstanding at the end of the year was Rs. 103 to Rs. 807.50 (March 31, 2019: Rs. 103 to Rs. 807.50).		
The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 is in the range of 1.04 to 4.59 years (March 31, 2019: 1.04 to 4.51 years).		

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## 34 Employee stock option plans (Continued)

The following table lists the inputs to the models used for ESOS 2014 for the year ended March 31, 2020 and March 31, 2019, respectively:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Exercise price per share for the options granted during the year (Rs.)	299.45 to 600.45	399.55 to 453.45
Weighted average fair value per share (Rs.)	600.45	453.45
Weighted average fair value of options granted	502.77	429.49
Expected volatility	43.80% to 48.07%	37.62% to 39.54%
Life of the options granted (Vesting and exercise period in years)	3.5 to 6.5 Years	3.51 to 6.51 Years
Average risk free interest rate	6.08% to 7.60%	7.08% to 8.05%
Expected dividend yield	0.25% to 0.50%	0.33% to 0.38%

## 35 Employee benefits

### Defined contribution plans - General description

#### Provident fund & other funds:

During the year, the Group has recognised Rs. 902.66 lakhs (March 31, 2019 - Rs. 933.00 lakhs) as contribution to provident fund and other funds in the Statement of Profit and Loss (included in Contribution to Provident and Other Funds in Note - 23).

### Other long-term employee benefits - General description

#### Leave encashment:

Each employee is eligible to get one earned leave for each completed month of service but entitlement arises only on completion of first year of service. Encashment of entitled leave is allowed only on separation subject to maximum accumulation of up to 24 days.

### Defined benefit plans - General description

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, 2020	Year ended March 31, 2019
<b>Recognized in profit or loss:</b>		
Current service cost	86.17	76.85
Net interest income on benefit obligation / assets	6.14	3.31
	<b>92.31</b>	<b>80.16</b>
<b>Recognized in other comprehensive income:</b>		
Re-measurement losses arising from changes in financial and demographic assumptions	92.09	95.58
	<b>92.09</b>	<b>95.58</b>
<b>Net benefit expense</b>	<b>184.40</b>	<b>175.74</b>



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## 35 Employee benefits (Continued)

Plan liability / (asset) are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	769.47	653.22
Fair value of plan assets	(576.83)	(473.00)
<b>Plan liability / (asset) - (net)</b>	<b>192.64</b>	<b>180.22</b>

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation at the beginning of the year	651.24	538.36
Current service cost	86.17	74.82
Interest cost	39.87	34.02
Re-measurement losses on obligation	84.69	65.90
Benefits paid	(92.50)	(61.86)
<b>Closing defined benefit obligation</b>	<b>769.47</b>	<b>651.24</b>

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

Fair value of plan assets at the beginning of the year	473.00	443.85
Expected return on plan assets	33.73	30.68
Contributions	170.00	90.00
Benefits paid	(92.50)	(61.86)
Re-measurement losses on plan assets	(7.40)	(29.67)
<b>Fair value of plan assets at the end of the year</b>	<b>576.83</b>	<b>473.00</b>

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

Discount rate	4.82%	6.59%
Expected rate of return on assets	4.82%	6.59%
Salary escalation	<b>Band 1 to 5:</b> 5%/6%/6%/6%/6%	8.00%
Employee turnover	<b>Band 1 to 5:</b> 99%/39%/39%/27%/32%	60.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Based on the experience of the previous years, the Group expects to contribute Rs. 193 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 35 Employee benefits (Continued)

The major categories of plan assets of the fair value of the total plan assets are as follows:

<b>Gratuity plan</b>		
Particulars	As at March 31, 2020	As at March 31, 2019
Investments details:		
Funds with Reliance Nippon Life Insurance Company Limited	576.83	473.00
<b>Total</b>	<b>576.83</b>	<b>473.00</b>
These funds have been invested into corporate bonds and money market funds, consequently the Group is not exposed to any equity market risks.		

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

Gratuity plan:						
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

Assumptions	March 31, 2019					
	Discount rate		Future salary increases		Attrition rate	
Sensitivity Level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Movement ((gain) / loss) in net benefit expense on account of changes in defined benefit obligation	(3.93)	4.00	5.03	(4.98)	(1.10)	1.12

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## Maturity profile of defined benefit obligation:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Within the next 12 months (next annual reporting period)	343.22	367.20
Between 1 and 5 years	394.92	328.22
Between 5 and 10 years	101.42	13.93
<b>Total expected payments</b>	<b>839.56</b>	<b>709.35</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 2.7 years (March 31, 2019: 1.8 years)



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## 36 Commitment and contingencies

### (a) Capital commitments (net of advances and deposit)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital commitments (net of advances and deposit)	86.47	37.51

### (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 11 months to 9 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	2020	2019 Restated*
As at April 1	4,789.12	3,730.88
Additions	2,516.16	2,601.00
Depreciation expense	1,615.29	1,542.76
<b>As at 31<sup>st</sup> March</b>	<b>5,689.99</b>	<b>4,789.12</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	2020	2019 Restated*
As at April 1	5,194.53	4,053.57
Additions	2,397.30	2,517.36
Accretion of Interest	509.07	476.40
Payments	1,981.64	1,852.80
<b>As at 31<sup>st</sup> March</b>	<b>6,119.26</b>	<b>5,194.53</b>
Current	1,486.31	1,067.22
Non-current	4,632.95	4,127.31

For the maturity analysis of lease liabilities, refer note 41

The effective interest rate for lease liabilities is 9.3%, with maturity between 2021-2029.

The following are the amounts recognised in profit or loss:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
Depreciation expense of right-of-use assets	1,615.29	1,542.76
Interest expense on lease liabilities	509.07	476.40
Total amount recognised in profit or loss	2,124.36	2,019.16

The Group had total cash outflows for leases of Rs. 1,981.64 in March 31, 2020 (Rs. 1,852.80 in March 31, 2019). The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. 2,397.30 in March 31, 2020 (Rs. 2,517.36 in March 31, 2019).

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## 36 Commitment and contingencies (Continued)

### (b) Leases (Continued)

#### Lease commitments – Company as lessee (Continued)

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 32).

As at March 31, 2020, 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. 721.81 lakhs.

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

### (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 19.

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, 2020	As at March 31, 2019
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	-

### (c) 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 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.



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## 36 Commitment and contingencies (Continued)

### (c) Other contingent liabilities (Continued)

(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. 174.40 lakhs.

(iv) Interest obligation and damages on Provident Fund demand raised by Employee Provident Fund Organisation are estimated to be Rs.134.07 lakhs and Rs. 162.91 lakhs respectively. The company, on a prudent basis, has made total provision aggregating to Rs. 243.88 lakhs towards PF dues for past periods relating to identifiable employees (including interest of Rs. 73.19 lakhs) and base liability due for employees whose details are not identifiable. 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. These are disclosed as a contingent liability. (also refer note 19)

(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 provided during the period 2007-08 to 2011-12. While the liability has been confirmed by the Commissioner of Goods and Service Tax, the Company disputes the same and is in the process of filing appeal with Customs Excise and Service Tax Appellate Tribunal (CESTAT). 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 the year. 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. (also refer note 19)

## 37 Related party disclosures

### a. Names of related parties

Relationship	Names of related parties
Enterprises owned or significantly influenced by key management personnel or their relatives	India Property Online Private Limited (till December 11, 2018)
	Infonauts Inc., USA
	Consim Direct Mauritius Limited
Key management personnel (KMP)	Mr. Murugavel Janakiraman, Managing Director
	Mr. K Balasubramanian, Chief Financial Officer (till December 14, 2018)
	Mr. Sushanth Pai, Chief Financial Officer (from December 15, 2018)
	Mr. S Vijayanand, Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman
	Mrs. Deepa Murugavel
Independent directors	Mr. Milind Shripad Sarwate
	Mr. George Zacharias
	Mr. Chinni Krishnan Ranganathan
	Mrs. Akila Krishnakumar

### Terms and Conditions of transaction with Related Parties

The sale to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2020 and March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by Related Parties (Refer Note 11 and Note 16 (a) for Trade Receivables and Trade Payables respectively).

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

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



# Notes to the consolidated financial statements for the year ended March 31, 2020

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

38	Statutory Group Information								
Name of the entity in the group		Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>									
Matrimony.com Limited									
	Balance as at 31 <sup>st</sup> March, 2020	98.79%	22,566.94	91.35%	2,698.10	119.90%	(104.18)	90.49%	2,593.92
	Balance as at 31 <sup>st</sup> March, 2019	99.20%	20,534.88	83.27%	3,590.19	64.61%	(26.91)	83.44%	3,563.28
<b>Subsidiaries</b>									
<b>Indian Subsidiaries</b>									
1	Community Matrimony Private Limited	NA	NA	NA	NA	NA	NA	NA	NA
	Balance as at 31 <sup>st</sup> March, 2020	-	-	-	-	-	-	-	-
	Balance as at 31 <sup>st</sup> March, 2019	-	-	-	-	-	-	-	-
2	Sys India Private Limited								
	Balance as at 31 <sup>st</sup> March, 2020	0.05%	11.46	0.06%	1.75	-	-	0.06%	1.75
	Balance as at 31 <sup>st</sup> March, 2019	0.05%	9.71	0.04%	1.82	-	-	0.04%	1.82
3	Matchify Services Private Limited								
	Balance as at 31 <sup>st</sup> March, 2020	NA	NA	NA	NA	NA	NA	NA	NA
	Balance as at 31 <sup>st</sup> March, 2019	-	-	-	-	-	-	-	-
4	Tambulya Online Marketplace Private Limited								
	Balance as at 31 <sup>st</sup> March, 2020	NA	NA	NA	NA	NA	NA	NA	NA
	Balance as at 31 <sup>st</sup> March, 2019	-	-	-	-	-	-	-	-
<b>Foreign Subsidiaries</b>									
1	Consim Info USA Inc., USA								
	Balance as at 31 <sup>st</sup> March, 2020	0.92%	210.91	0.17%	5.08	(19.73%)	17.14	0.78%	22.22
	Balance as at 31 <sup>st</sup> March, 2019	0.91%	188.69	17.69%	762.94	35.39%	(14.59)	17.52%	748.34
2	Matrimony DMCC, Dubai, UAE								
	Balance as at 31 <sup>st</sup> March, 2020	0.23%	52.89	8.63%	254.84	(0.32%)	0.28	8.90%	255.12
	Balance as at 31 <sup>st</sup> March, 2019	(0.16%)	(32.58)	(1.00%)	(43.02)	-	0.28	(1.00%)	(42.74)
<b>Associate</b>									
1	Astro Vision Futuretech Private Limited								
	Balance as at 31 <sup>st</sup> March, 2020	NA	NA	(0.21%)	(6.28)	0.14%	(0.13)	(0.22%)	(6.41)
	Balance as at 31 <sup>st</sup> March, 2019	-	-	-	-	-	-	-	-

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 39 Segment reporting

For management purposes, the Group's operations are organised into three segments - Matchmaking services, Marriage services and related sale of products and others.

Matchmaking services - The Group 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 has introduced MatrimonyPhotography.com, Matrimonybazar.com and Matrimonymandap.com to provide wedding photography, videography services and allied marriage services respectively.

The Management Committee headed by Managing Director consisting of Chief Financial Officer and Heads of Departments have identified the above three reportable business segments. The committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>A. Segment revenue</b>		
<b>External sales</b>		
- Matchmaking services	36,044.35	33,577.77
- Marriage services and related sale of products	1,139.18	1,264.98
<b>Total revenue</b>	<b>37,183.53</b>	<b>34,842.75</b>
<b>Segment expenses</b>		
<b>Employee benefits expense</b>		
- Matchmaking services	12,759.58	11,965.05
- Marriage services and related sale of products	1,973.55	1,546.95
<b>Advertisement and business promotion expense</b>		
- Matchmaking services	10,686.97	7,910.15
- Marriage services and related sale of products	115.78	193.68
<b>Other expenses</b>		
- Matchmaking services	4,157.88	3,510.49
- Marriage services and related sale of products	748.43	873.63
<b>Depreciation and amortisation expense</b>		
- Matchmaking services	2,659.24	2,165.63
- Marriage services and related sale of products	83.45	142.93
<b>Finance charges</b>		
- Matchmaking services	493.27	458.66
- Marriage services and related sale of products	15.80	17.74
<b>Share of profit /(loss) from associate</b>		
- Matchmaking services	(6.28)	-
- Marriage services and related sale of products	-	-



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for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 (Restated)*
<b>39 Segment reporting (Continued)</b>		
<b>B. Segment results</b>		
- Matchmaking services	5,281.13	7,567.79
- Marriage services and related sale of products	(1,797.83)	(1,509.95)
<b>Total</b>	<b>3,483.30</b>	<b>6,057.84</b>
<b>Reconciliation of profit</b>		
<b>Segment profit</b>	<b>3,483.30</b>	<b>6,057.84</b>
Unallocable expenses	1,346.16	1,757.41
Other finance costs	21.23	9.48
Unallocable income	(1,791.74)	(1,558.68)
<b>Profit before tax</b>	<b>3,907.65</b>	<b>5,849.63</b>
<b>E. Capital expenditure</b>		
- Matchmaking services	1,076.76	785.93
- Marriage services and related sale of products	45.66	47.66
- Unallocable	182.87	1,104.49
<b>Total capital expenditure</b>	<b>1,305.29</b>	<b>1,938.08</b>
<b>F. Depreciation / amortisation</b>		
- Matchmaking services	2,659.24	2,165.63
- Marriage services and related sale of products	83.45	142.93
- Unallocable	53.67	342.45
<b>Total depreciation / amortisation</b>	<b>2,796.36</b>	<b>2,651.01</b>
<b>G. Non-cash items other than depreciation / amortisation</b>		
- Matchmaking services	17.18	(11.76)
- Marriage services and related sale of products	105.42	79.46
- Unallocable	184.00	(50.02)
<b>Total non-cash items other than depreciation / amortisation</b>	<b>306.60</b>	<b>17.68</b>
*Refer note 2.4(a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116		

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

## 39 Segment reporting (Continued)

Revenue from external customers		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Segment revenue</b>		
- India	31,943.09	29,802.47
- Outside India	5,240.44	5,040.28
<b>Total revenue</b>	<b>37,183.53</b>	<b>34,842.75</b>
<b>Non current operating assets</b>		
- India	7,611.83	7,561.56
- Outside India	12.82	16.26
<b>Total</b>	<b>7,624.65</b>	<b>7,577.82</b>
Non-current assets for this purpose consists of property, plant and equipment and intangible assets.		
<b>Other disclosures</b>		
Capital expenditure	1,305.29	1,938.08

### Note:

1) Until March 31, 2019, the Company was providing disclosures relating to segment assets and liabilities in addition to segment results voluntarily. Considering, the Chief Operating Decision Maker (CODM) does not review segment assets and liabilities as the Marriage services segment is significantly smaller compared to the Matchmaking segment and supplemented by the fact that the assets are interchangeably used between segments, effective April 1, 2019, the Company has decided to disclose only segment results.

2) 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".

3) 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.

## 40 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values. The management assessed that the cash and cash equivalents, trade receivables, trade payables, fixed deposits, bank overdrafts and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.



# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 40 Fair Values (Continued)

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, 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)
<b>Asset measured at fair value</b>					
<b>FVTPL financial investments:</b>					
Unquoted mutual funds	March 31, 2020	12,035.03	12,035.03	-	-

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

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)
<b>Asset measured at fair value</b>					
<b>FVTPL financial investments:</b>					
Unquoted mutual funds	March 31, 2019	13,675.01	13,675.01	-	-

## 41 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise bank overdraft and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash, security deposits, investments and fixed term deposits, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by its Risk Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk Committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, trade payables, FVTPL investments and receivables.

### Interest rate risk

Interest rate risk is the risk that the fair value of 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 41 Financial risk management objectives and policies (Continued)

### Interest rate sensitivity

The Group's overdraft balance has resulted in cash surplus amounting to Rs. 41.32 lakhs as at March 31, 2020. Consequent to this, Group does not have any risk of changes in market interest rates.

### Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an expenses will fluctuate because of change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses is denominated in a foreign currency).

The majority of the Group's revenue and expenses are in Indian Rupees, however significant percentage of revenue are denominated in US dollars. Hence the Group has entered into forward contract to protect its cash flow in US dollars. Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar (refer note 42). 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
<b>March 31, 2020</b>	5%	(2.87)	(2.87)
	-5%	2.87	2.87
<b>March 31, 2019</b>	5%	2.17	2.17
	-5%	(2.17)	(2.17)

### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. In the matchmaking segment, the Group collects the money upfront, hence there is no credit risk. With respect to marriage services segment the Group collects only part of the consideration as an advance before the performance of services, thus exposed to credit risks. Credit quality of a customer cannot be assessed as the Group is largely in to Business to Customer (B2C) model, however the Group through its established policy, procedures and control relating to credit risk management manages the credit risk. An impairment analysis is performed at each reporting date and the Group has a provisioning policy for making provision on receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Group does not hold collateral as security.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty so as to minimise concentration of risks and mitigate consequent financial loss. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Risk Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 23,503.03 lakhs and Rs. 17,149.70 lakhs as at March 31, 2020 and March 31, 2019 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, 2020

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

## 41 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.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1 year	1 to 3 years	> 3 years	Total
<b>As at March 31, 2020</b>					
Provisions	-	755.11	-	-	755.11
Lease liabilities (refer note 36 (b))	-	1,974.20	2,475.00	3,145.90	7,595.10
Trade and other payables	-	3,312.97	-	-	3,312.97
	-	<b>6,042.28</b>	<b>2,475.00</b>	<b>3,145.90</b>	<b>11,663.18</b>
	On demand	Less than 1 year	1 to 3 years	> 3 years	Total
<b>As at March 31, 2019 (Restated)*</b>					
Provisions	-	610.71	-	-	610.71
Lease liabilities (refer note 36 (b))	-	1,823.75	2,809.17	2,017.14	6,650.06
Trade and other payables	-	2,171.47	-	-	2,171.47
	-	<b>4,605.93</b>	<b>2,809.17</b>	<b>2,017.14</b>	<b>9,432.24</b>
* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.					

## 42 Hedging activities and derivatives

The Group is exposed to certain risks relating to its on-going business operations. The primary risks managed using derivative instruments are foreign currency risk. The Group's risk management strategy and how it is applied to manage risk are explained in Note 41.

### Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates. 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 42 Hedging activities and derivatives (Continued)

The Group is holding the following foreign exchange and forward contracts:

	Maturity					Total
	Less than 1 month	1 to 3 months	4 to 6 months	7 to 9 months	10 to 12 months	
<b>As at March 31, 2020:</b>						
Foreign exchange forward contracts (highly probable forecast sales) (USD)	-	-	-	-	-	-
Notional amount (in INR lacs)	-	-	-	-	-	-
Average forward rate (INR/USD)	NA	NA	NA	NA	NA	NA
<b>As at March 31, 2019:</b>						
Foreign exchange forward contracts (highly probable forecast sales) (in USD)	300,000	600,000	960,000	820,000	150,000	2,830,000
Notional amount (in INR lacs)	211.99	426.11	695.84	601.15	110.82	2,045.91
Average forward rate (INR/USD)	70.66	71.02	72.48	73.31	73.88	72.29

The impact of the hedging instruments on the balance sheet is, as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Foreign exchange forward contracts:				
As at March 31, 2020:	-	-	Financial Assets	-
As at March 31, 2019:	2,045.91	2,100.13	Financial Assets	54.22

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

	Total hedging gain/(loss) recognised in OCI	Amount reclassified from OCI to profit or loss
Net movement on cash flow hedge reserve		
Year ended March 31, 2020:	-	-
Year ended March 31, 2019:	54.22	-





# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 42 Hedging activities and derivatives (Continued)

### The Impact of hedged foreign currency exposure in the statement of profit and loss:

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity	Effect on OCI
March 31, 2020	5%	-	-	-
	-5%	-	-	-
March 31, 2019	5%	-	-	102.29
	-5%	-	-	(102.29)

## 43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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 ROE (ratio of net profit to total equity attributable to owners of the parent).

Return on Equity	As at March 31, 2020	As at March 31, 2019 (Restated)*
Profit Before Taxes	3,907.65	5,849.63
Less: Finance Income	(1632.95)	(1393.32)
Add: Finance Cost	524.95	485.87
<b>Earning before Net Interest and Tax</b>	<b>2,799.65</b>	<b>4,942.18</b>
Equity Share Capital	1,138.31	1,136.47
Other Equity	21,685.81	19,114.69
<b>Capital Employed</b>	<b>22,824.12</b>	<b>20,251.16</b>
<b>ROCE</b>	<b>12%</b>	<b>24%</b>

\* Refer Note 2.4 (a) for details about restatement on account of changes in accounting policies consequent to adoption of Ind-AS 116.

## 44 Investments in an Associate

During the year, 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.

# Notes to the consolidated financial statements

for the year ended March 31, 2020

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

## 44 Investments in an Associate (Continued)

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 February 10, 2020	As at March 31, 2020
Non-current assets	75.36	149.57
Current assets	1,092.24	560.71
Non-current liabilities	40.10	48.40
Current liabilities	627.46	186.41
Equity	500.04	475.47
Group's Share in equity-26.09 % (2019-20)	130.46	124.05
Goodwill	483.97	483.97
Group's carrying amount of the investment*	614.43	608.02

\* After inclusion of Rs. 19.36 lakhs of transaction cost incurred which are directly attributable to this acquisition and adjustment of Share of loss of Astro vision Futuretech Private Limited of Rs. 6.41 lakhs.

### b) Summary of Statement of Profit and Loss

Particulars	For the Period February, 11 2020 to March 31, 2020
Revenue from contracts with customers	154.19
Other income	3.75
Employee benefit expense	102.04
Other expense	104.10
Depreciation & amortization	2.73
Finance cost	3.20
Profit before tax	(54.13)
Profit for the period / year	(24.07)
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	0.48
Total comprehensive income for the period / year	(24.55)
Group's share of profit /(loss) for the period / year	(6.41)

As at March 31, 2020, the associate has contingent liabilities of Rs. 59.21 lakhs and capital commitments of Rs. 20.00 lakhs.



# Notes to the consolidated financial statements

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## 45 Events after the reporting period

The Board of Directors, at its meeting held on May 20, 2020 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. The final dividend includes a special dividend of 40% (Rs. 2.0 per equity share of par value of Rs. 5 each), on the occasion of the company's 20<sup>th</sup> Anniversary.

## 46 COVID-19 Impact

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group has evaluated 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, 2020. Based on its review, consideration of internal and external information up to the date of approval of these financial results 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 results. However, the estimated impact of COVID 19 might vary from the date of approval of these financial results and the Group will continue to monitor any material changes to future economic conditions.

## 47 Previous year comparatives

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

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

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

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

**Murugavel Janakiraman**

Chairman & Managing Director

DIN: 00605009

**Aravind K**

Partner

Membership No: 221268

**Sushanth S Pai**

Chief Financial Officer

**S Vijayanand**

Company Secretary

Place: Chennai

Date : May 20, 2020

Place: Chennai

Date : May 20, 2020

Place: Chennai

Date : May 20, 2020

**Matrimony.com Limited**

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

Conceptualised, designed and developed by **Valorem Advisors** - [www.valoremadvisors.com](http://www.valoremadvisors.com)

## MATRIMONY.COM LIMITED

### Disclosures as specified Reg.14 of SEBI (Share Based Employee Benefits) Regulation 2014 and Rule 12(9) of Companies Share Capital and Debentures Rules 2014.

Details related Employee Stock Option Scheme 2014

#### i) Description of the scheme

Our Company adopted the Employee Stock Option Scheme (A) 2010 to reward its employees for their past association and performance. The scheme was amended and renamed as Employee Stock Option Scheme 2014 ("**ESOP Scheme**") by the Board of Directors vide resolution dated April 7, 2014 which was approved by the Shareholders vide resolution dated April 11, 2014. As per the certificate issued by statutory auditors, the ESOP Scheme is in compliance with applicable regulations, including relevant Guidance Notes or Accounting Standards issued by the Institute of Chartered Accountants of India in this regard, the Companies Act, 2013 and the ESOP Regulations.

Pursuant to resolutions of our shareholders dated November 19, 2010 and April 11, 2014 and resolution of our Board dated October 13, 2010 and circular resolution of the Board dated April 7, 2014, our Company has implemented the ESOP Scheme. Under the provisions of the ESOP Scheme, the shareholders have approved to grant up to 1,785,186 employee stock options exercisable into 1,785,186 equity shares of face value Rs. 3 each to eligible employees of our Company. Pursuant to consolidation of shares from Rs.3/- to Rs.5/-, the options granted were adjusted accordingly. As per the scheme, the minimum vesting period would be 1 year and maximum period is 5 years, from the date of grant. The exercise price shall be at a price which is not less than the face value per share. The options granted shall be exercised within 5 years from the date of vesting. The source of shares is primary.

Further, the shareholders have ratified the Pre-IPO scheme in terms of SEBI (Share based employee benefits) Regulations 2014, approved grant of options upto 955804 options exercisable into 955804 equity shares of Rs.5/- each including options already granted and approved the following amendments to ESOP 2014 vide resolution passed through postal ballot on January 2, 2018:

In case of Resignation/Termination other than for a cause/Retirement/Early retirement approved by the Company, all the vested options shall be exercised by the employee not later than one months from the date of resignation/retirement.

The grant wise information is given below

Grant	Date of Grant	Number of options granted	Vesting period	Manner of vesting
Grant 3, 4, 5 & 6	April 14, 2014	3,81,772	14-Apr-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, 2016.
Grant 10	February 9, 2016	9,600	01-Apr-2017 to 01-Apr-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017.
Grant 11	June 30, 2016	2,000	01-Jul-2017 to 01-Jul-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017.
Grant 12	March 21, 2018	10,200	01-Apr-2019 to 01-Apr-2021	Eligible on a graded manner over three years period with 30% of the grants vesting at the end of 12 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24 months from the date of grant and 36 months from the date of grant respectively.
Grant 13	March 21, 2018	3,000	01-Apr-2019 to 01-Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019. The remaining 60% of the grants vest at the end of 24 months from the date of grant.
Grant 14	March 21, 2018	3,600	01-Apr-2019 to 01-Apr-2020	Eligible on a graded manner over 2 years period with 40% of the grants vesting at the end of 12 months starting from April 1, 2019. The remaining 60% of the grants vest at the end of 24 months from the date of grant.

Grant 15	March 21, 2018	5,000	01-Apr-19	100% of the grants will vest on April 1, 2019.
Grant 16	March 21, 2018	1,500	01-Apr-19	100% of the grants will vest on April 1, 2019.
Grant 17	October 31, 2018	5,000	01-Nov-2019 to 01-Nov-2020	Eligible on a graded manner over 2 years period with 50% of the grants vesting at the end of 12 months starting from November 1, 2019. The remaining 50% of the grants vest at the end of 24 months from the date of grant.
Grant 18	October 31, 2018	10,000	01-Nov-2019 to 01 Nov-2022	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from November 1, 2019.
Grant 19	February 12, 2019	12,000	01-Apr-2020 to 01-Apr-2022	Eligible on a graded manner over three years period with 33.33% of the grants vesting at the end of every 12 months starting from April 1, 2020.
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.

- ii) Method used to account for ESOS (Intrinsic/Fair value): **Fair Value**
- iii) Difference between employee compensation cost so computed using the intrinsic value for expensing of the options computed at as computed and the employee compensation that shall have been recognized if fair value of options computed: **Not Applicable**
- iv) The impact of the difference on profits and on EPS of the Company: **Not Applicable**
- v) **Option Movement during the year**

Sl. No.	Particulars	ESOS 2014
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1.	Number of options outstanding at the beginning of the year	1,87,978
2.	Number of options granted during the year	80,600
3.	Number of options forfeited / lapsed during the year	23,200
4.	Number of options vested during the year	13,200
5.	Number of options exercised during the year	36,817
6.	Number of shares arising as a result of exercise of options	36,817
7.	Exercise price of the options granted during the year	1. Rs. 600.45 2. Rs. 443.60 3. Rs. 299.45
8.	Variation of terms of options	NIL
9.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	39,77,401
10	Number of options outstanding at the end of the year	2,08,561
11	Number of options exercisable at the end of the year	1,09,831

### Employee wise details of options granted to

Key Managerial Personnel	Mr. Sushanth S Pai – 4,000 Options
Employees who received a grant in the year amounting to 5% or more of options granted during the year	Mr. Prasad Nelliparthi – 6,000 options
	Mrs. Meenakshi V S – 5,000 options
	Mr. Ajay Kumar – 5,000 Options
	Mr. M Swetaranyam – 5,000 Options
	Mr. Vinodha Priyan – 4,800 options
	Mr. Indramani Das – 4,500 options
	Mr. Bharat Ram Balakrishnan – 4,100 options
	Mr. V Suresh – 12,000 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
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- vi) Weighted Average Exercise Price of the options was Rs. 322.65/- (Face Value Rs. 5/- per share). The range of exercise prices for the options outstanding at the end of year was Rs. 103 to 807.50.
- vii) Description of the Method and significant assumptions used during the year to estimate the fair value of options
- a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model

The weighted average share price at the date of exercise of the options was Rs. 322.65/- (Face value Rs. 5/- per share).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 is in the range of 1.04 to 4.59 years (March 31, 2019: 1.04 to 4.51 years).

#### Fair Value of Options granted on May 9, 2019 - Grant 20

<b>Exercise Price:</b>	<b>Rs. 600.45</b>			
<b>Vesting Period</b>	<b>4 Years</b>			
<b>Inputs</b>				
Stock Price Now (Ps)	<b>Rs. 600.45</b>	<b>Rs. 600.45</b>	<b>Rs. 600.45</b>	<b>Rs. 600.45</b>
Standard Dev - Annual (j)	48.07%	48.07%	48.07%	48.07%
Riskfree Rate - Annual (R)	7.13%	7.41%	7.55%	7.60%
Exercise Price (E)	<b>Rs. 600.45</b>	<b>Rs. 600.45</b>	<b>Rs. 600.45</b>	<b>Rs. 600.45</b>
Time To Maturity - Years (T)	3.50	4.50	5.50	6.50
Dividend yield (d)	0.25%	0.25%	0.25%	0.25%
<b>Outputs</b>				
d1	0.718	0.826	0.920	1.003
d2	-0.182	-0.194	-0.208	-0.223
N(d1)	0.764	0.796	0.821	0.842
N(d2)	0.428	0.423	0.418	0.412
Call Price (Vc)	Rs. 254.40	Rs. 290.41	Rs. 320.81	Rs.346.68

#### Fair Value of Options granted on February 5, 2020 - Grant 21

<b>Exercise Price:</b>	<b>Rs. 443.60</b>			
<b>Vesting Period</b>	<b>4 Years</b>			
<b>Inputs</b>				
Stock Price Now (Ps)	<b>Rs. 443.60</b>	<b>Rs. 443.60</b>	<b>Rs. 443.60</b>	<b>Rs. 443.60</b>
Standard Dev - Annual (j)	46.62%	46.62%	46.62%	46.62%
Riskfree Rate - Annual (R)	6.30%	6.51%	6.66%	6.76%
Exercise Price (E)	<b>Rs. 443.60</b>	<b>Rs. 443.60</b>	<b>Rs. 443.60</b>	<b>Rs. 443.60</b>
Time To Maturity - Years (T)	3.50	4.50	5.50	6.50

Dividend yield (d)	0.34%	0.34%	0.34%	0.34%
Outputs				
d1	0.676	0.775	0.865	0.946
d2	-0.197	-0.214	-0.229	-0.243
N(d1)	0.750	0.781	0.807	0.828
N(d2)	0.422	0.415	0.410	0.404
Call Price (Vc)	Rs. 178.85	Rs. 203.76	Rs. 225.25	Rs.243.81

### Fair Value of Options granted on March 24, 2020 - Grant 22

<b>Exercise Price:</b>	<b>Rs. 299.45</b>			
<b>Vesting Period</b>	<b>4 Years</b>			
<b>Inputs</b>				
Stock Price Now (Ps)	<b>Rs. 299.45</b>	<b>Rs. 299.45</b>	<b>Rs. 299.45</b>	<b>Rs. 299.45</b>
Standard Dev - Annual (j)	43.80%	43.80%	43.80%	43.80%
Riskfree Rate - Annual (R)	6.08%	6.46%	6.73%	6.92%
Exercise Price (E)	<b>Rs. 299.45</b>	<b>Rs. 299.45</b>	<b>Rs. 299.45</b>	<b>Rs. 299.45</b>
Time To Maturity - Years (T)	3.50	4.50	5.50	6.50
Dividend yield (d)	0.50%	0.50%	0.50%	0.50%
Outputs				
d1	0.649	0.753	0.848	0.932
d2	-0.172	-0.176	-0.180	-0.185
N(d1)	0.742	0.774	0.802	0.824
N(d2)	0.432	0.430	0.429	0.427
Call Price (Vc)	Rs. 113.72	Rs. 130.45	Rs. 144.95	Rs. 157.51

#### b) Methodology for determination of volatility:

##### i) For Options granted on May 9, 2019

The annual volatility is calculated for the period from May 09 2018-May 09, 2019 from NSE which comes out 48.07%.

##### ii) For options granted on February 05, 2020

The annual volatility is calculated for the period from Feb 05, 2019-Feb 05, 2020 from NSE which comes out 46.62%.

##### iii) For options granted on March 24, 2020

The annual volatility is calculated for the period from March 24, 2019-March 24, 2020 from NSE which comes out 43.80%.

#### c) The method used and the assumptions made to incorporate the effects of expected early exercise

The total exercise period as per ESOS is 5 years from each vesting date. However the employees generally used to exercise the options in 3 years and hence we have taken an average period of 2.5 years as exercise

period from date of each vesting.

- d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition**

NA

**Disclosures in respect of grants made in three years prior to IPO under each ESOS**

There are no other Employee Stock Option scheme other than the Matrimony.com Ltd Employee Stock Option Scheme 2014. The disclosures in respect of the scheme is given above.