# MATRIMONY.COM LIMITED

Our Company was incorporated as "Matrimony Services.com Private Limited", a private limited company under the Companies Act, 1956 on July 13, 2001, at Chennai, Tamil Nadu. The name of our Company was subsequently changed to "Bharatmatrimony.com Private Limited" pursuant to a resolution passed by the shareholders of our Company on December 5, 2003. A fresh certificate of incorporation consequent to change of name was issued by the RoC on December 15, 2003. The name of our Company was further changed to "Consim Info Private Limited" pursuant to a special resolution of the shareholders of our Company dated August 30, 2007 and a fresh certificate of incorporation was issued by the RoC on September 27, 2007. Subsequently, the name of our Company was changed to "Matrimony.com Private Limited" pursuant to a special resolution of the shareholders of our Company dated July 27, 2012 and a fresh certificate of incorporation was issued by the RoC on August 17, 2012. Subsequently, upon conversion to a public limited company pursuant to a special resolution of the shareholders of our Company dated December 2, 2014 the name of our Company was changed to Matrimony.com Limited and a fresh certificate of incorporation was issued by the RoC on January 2, 2015.

**Registered Office and Corporate Office**: TVH Beliciaa Towers, Tower II, 10th Floor, No. 94, MRC Nagar, Mandaveli, Chennai - 600028
For information in relation to changes in our name and registered office, see "*History and Certain Corporate Matters*" on page 162.
**Telephone**: +91 44 2463 1500; **Facsimile**: +91 44 2463 1777;
**Contact Person**: S.Vijayanand, Company Secretary and Compliance Officer; **Telephone**: +91 44 2463 1613; **Facsimile**: +91 44 2463 1777;
**E-mail**: compliance@matrimony.com; **Website**: www.matrimony.com **CIN**: U63090TN2001PLC047432

**PROMOTER OF OUR COMPANY: MURUGAVEL JANAKIRAMAN**

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5.00 EACH ("EQUITY SHARES") OF MATRIMONY.COM LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 1,300 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,767,254 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (COMPRISING OFFER FOR SALE OF UP TO 1,461,006 EQUITY SHARES BY BESSEMER INDIA CAPITAL HOLDINGS II LTD. AGGREGATING UP TO ₹ [●] MILLION, OFFER FOR SALE OF UP TO 155,760 EQUITY SHARES BY MAYFIELD XII, MAURITIUS AGGREGATING UP TO ₹ [●] MILLION, OFFER FOR SALE OF UP TO 1,683,207 EQUITY SHARES BY CMDB II AGGREGATING UP TO ₹ [●] MILLION, OFFER FOR SALE OF UP TO 384,447 EQUITY SHARES BY MURUGAVEL JANAKIRAMAN ("PROMOTER SELLING SHAREHOLDER") AGGREGATING UP TO ₹ [●] MILLION AND OFFER FOR SALE OF UP TO 82,834 EQUITY SHARES BY INDRANI JANAKIRAMAN (A MEMBER OF OUR PROMOTER GROUP) AGGREGATING UP TO ₹ [●] MILLION (COLLECTIVELY, THE "SELLING SHAREHOLDERS") (COLLECTIVELY THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 5 MILLION FOR ELIGIBLE EMPLOYEES (DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5.00 EACH**

**THE PRICE BAND, THE EMPLOYEE DISCOUNT AND THE RETAIL DISCOUNT, AS APPLICABLE, WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND ADVERTISED IN [●] EDITIONS OF [●], [●] EDITIONS OF [●] AND [●] EDITIONS OF [●], (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND TAMIL NEWSPAPERS RESPECTIVELY, TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE*.**

**** A discount of ₹[●] to the Offer Price may be offered to Retail Individual Bidders ("Retail Discount") and Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount").***

In case of any revision in the Price Band, the Bidding Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the BSE and NSE, by issuing a press release and also by indicating the change on the websites of the BRLMs, at the terminals of the Syndicate Members.

This Offer is being made pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"). The Offer is being made through the Book Building Process in accordance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI Regulations**"), wherein at least 75% of the Net Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion (defined hereinafter). The number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If at least 75% of the Net Offer cannot be Allotted to QIBs, all the application monies will be refunded forthwith. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price and such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be Allotted to all Retail Individual Bidders on a proportionate basis. All potential investors, other than Anchor Investors, are required to participate through the Applications Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details, see "*Offer Procedure*" at page 398.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public issue of the Issuer, there is no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 5.00 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price as determined and justified by our Company and the Selling Shareholders in consultation with the BRLMs in accordance with the SEBI Regulations and as stated in "*Basis for Offer Price*" at page 120 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" at page 17.

**ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for statements expressly made by such Selling Shareholder in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being sold by it in the Offer and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders do not assume any responsibility for any other statement in this Draft Red Herring Prospectus, including without limitation, any statements made by or in relation to the Company or the other Selling Shareholders, or in relation to the Company's business.

**LISTING**

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approval from the BSE and the NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the [●] shall be the Designated Stock Exchange.

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE OFFER |
|---|---|---|
| **Axis Capital Limited**<br>1st floor, Axis House<br>C-2, Wadia International Centre<br>P.B. Marg, Worli<br>Mumbai 400 025<br>Tel.: +91 22 4325 2183<br>Fax: +91 22 4325 3000<br>E-mail: matrimony@axiscap.in<br>Investor grievance e-mail: complaints@axiscap.in<br>Website: www.axiscapital.co.in<br>Contact Person: Simran Gadh<br>SEBI Registration No.: INM000012029 | **ICICI Securities Limited**<br>ICICI Centre, H.T. Parekh Marg<br>Churchgate, Mumbai 400 020<br>Tel.: +91 22 2288 2460<br>Fax: +91 22 2282 6580<br>Email: matrimony.ipo@icicisecurities.com<br>Investor grievance e-mail:<br>customercare@icicisecurities.com<br>Website: www.icicisecurities.com<br>Contact Person: Arjun A. Mehrotra/ Anurag Byas<br>Website: www.icicisecurities.com<br>SEBI Registration No.: INM000011179 | **Karvy Computershare Private Limited**<br>Karvy Selenium Tower B,<br>Plot 31-32, Gachibowli, Financial District,<br>Nanakramguda, Hyderabad – 500 032<br>Telephone: +91 40 6716 2222<br>Facsimile: +91 40 2343 1551<br>Toll free no: 1800 3454 001<br>Email ID: einward.ris@karvy.com<br>Website: www.karisma.karvy.com<br>Investor Grievance ID: matrimony.ipo@karvy.com<br>Contact Person : M. Murali Krishna<br>SEBI Registration No.: INR000000221 |

**BID PROGRAMME***

| | |
|---|---|
| **FOR ALL BIDDERS:** | **OFFER OPENS ON [●]** |
| **FOR QIBs**:** | **OFFER CLOSES ON [●]** |
| **FOR RETAIL AND NON-INSTITUTIONAL BIDDERS:** | **OFFER CLOSES ON [●]** |

* *Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid Opening Date.*

***Our Company and the Selling Shareholders in consultation with the BRLMs may decide to close the Bidding Period for QIBs one Working Day prior to the Bid Closing Date, in accordance with the SEBI Regulations.*

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, re-enactments and modifications notified thereto. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to *"we"*, *"our"* or *"us"* are to our Company, together with its Subsidiaries.

### Company and Selling Shareholder Related Terms

| Term | Description |
| --- | --- |
| "Articles" or "Articles of Association" or "AoA" | The articles of association of our Company, as amended. |
| Audit Committee | The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and the Companies Act, 2013. |
| "Board" or "Board of Directors" or "our Board" | The board of directors of our Company, as duly constituted from time to time including any duly constituted committees thereof. |
| CCPS | Compulsorily convertible preference shares of our Company of face value of ₹ 5.00 each. |
| CDI | Consim Direct Inc. Nevis |
| Director(s) | The director(s) on our Board. |
| Equity Shares | Equity shares of our Company of face value of ₹ 5.00 each. |
| ESOP Scheme | The employee stock option scheme established by our Company with effect from October 13, 2010 and subsequently amended on April 11, 2014. |
| Financial Statements | The Restated Consolidated Summary Statements and the Restated Unconsolidated Summary Statements. |
| Group Companies | Such companies as provided in Schedule VIII of the SEBI Regulations and as described and identified in the section titled "*Our Group Companies"* on page 196. |
| Investor Selling Shareholders | Bessemer India Capital Holdings II Ltd., Mayfield XII, Mauritius and CMDB II. |
| Key Managerial Personnel | The key managerial personnel listed in the section titled "*Our Management*" at page 176. |
| "Memorandum" or "Memorandum of Association" or "MoA" | The memorandum of association of our Company, as amended. |
| Nomination and Remuneration Committee | The committee of the Board of Directors constituted as our Company's nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and the Companies Act, 2013. |
| "Our Company" or "the Company" or "the Issuer" or "Standalone Company" | Matrimony.com Limited, a public limited company incorporated under the Companies Act, 1956. |
| Preference Shares | The preference shares of our Company of face value ₹ 5.00 each. |
| "Promoter" or "Promoter Selling Shareholder" | The promoter of our Company, Murugavel Janakiraman. |
| Promoter Group | The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations and as set out in the section titled "*Our Promoter and Promoter Group"* at page 193. |
| Registered and Corporate Office | The registered office of our Company, located at TVH Beliciaa Towers, Tower II, 10th Floor, No. 94, MRC Nagar, Mandaveli, Chennai 600 028. |
| Restated Consolidated Summary Statements | Restated consolidated statement of assets and liabilities of our Company and Subsidiaries as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, and the restated consolidated statement of profit and loss and the restated consolidated statement of cash flows of our Company and Subsidiaries for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations. |
| Restated Unconsolidated Summary Statements | Restated unconsolidated statement of assets and liabilities of our Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, |

| Term | Description |
| --- | --- |
| | 2013, and the restated unconsolidated statement of profit and loss and the restated unconsolidated statement of cash flows of our Company for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations. |
| Risk and Governance Committee | The committee of the Board of Directors constituted as our Company's risk and governance committee in accordance with Regulation 21 of the SEBI Listing Regulations and the Companies Act, 2013. |
| Selling Shareholders | Bessemer India Capital Holdings II Ltd., Mayfield XII, Mauritius, CMDB II, Murugavel Janakiraman and Indrani Janakiraman. |
| Stakeholders' Relationship Committee | The committee of the Board of Directors constituted as our Company's stakeholders' relationship committee in accordance with Regulation 20 of the SEBI Listing Regulations and the Companies Act, 2013. |
| Statutory Auditors | The statutory auditors of our Company, being S. R. Batliboi & Associates LLP. |
| Subsidiaries | Subsidiaries of our Company as set out in the section titled "*History and Certain Corporate Matters – Subsidiaries of our Company*" on page 172. |

### Offer Related Terms

| Term | Description |
| --- | --- |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid. |
| "Allot" or "Allotment" or "Allotted" | The allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders. |
| Allotment Advice | The note, advice or intimation of Allotment of the Equity Shares sent to the successful Bidders who have been or who are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange, in accordance with the Book Building Process. |
| Allottee | A successful Bidder to whom Allotment is made. |
| Anchor Investor(s) | A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid, in accordance with the requirements specified in the SEBI Regulations and the Red Herring Prospectus. |
| Anchor Investor Allocation Notice | The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Anchor Investor Bidding Date. |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus. |
| Anchor Investor Bidding Date | The day, one Working Day prior to the Bid Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed. |
| Anchor Investor Offer Price | The final price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which shall be higher than or equal to the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs. |
| Anchor Investor Pay-in Date | In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the Anchor Investor Allocation Notice but not later than two Working Days after the Bid Closing Date. |
| Anchor Investor Portion | Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations. |
| "ASBA" or "Application Supported by Blocked Amount" | The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing an SCSB to block the Bid Amount in the relevant ASBA Account. |
| ASBA Account | Account maintained with an SCSB and specified in the ASBA Form, which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder as per the ASBA Form submitted by the ASBA Bidder. |

| Term | Description |
|---|---|
| ASBA Bidder | Any Bidder, other than Anchor Investors. |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus. |
| Axis Capital | Axis Capital Limited |
| Bankers to the Offer | The Escrow Collection Bank, the Public Offer Account Bank and the Refund Bank |
| "Banker(s) to an issue"/"BTI(s)" | The banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Bidders, as described in "*Offer Procedure – Basis of Allotment*" at page 433. |
| Bid(s) | An indication by a Bidder to make an offer during the Anchor Investor Bidding Date or Bidding Period, pursuant to submission of the Bid cum Application Form to subscribe for or purchase Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus and the Bid cum Application Form. |
| Bidder | A prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, and includes an ASBA Bidder and an Anchor Investor. |
| Bidding | The process of making a Bid. |
| Bidding Centers | Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, Syndicate Bidding Centres for Syndicate, Registered Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form. For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, the Bid Amount is net of Retail Discount and the Employee Discount, as applicable. However, in case of Retail Individual Bidders and Eligible Employees Bidding at Cut-Off Price, the Bid Amount is the Cap Price less Retail Discount or the Employee Discount, as applicable, multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder or Eligible Employee and mentioned in the Bid cum Application Form. |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the context requires. |
| Bid Closing Date | Except in relation to Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, and which shall be notified in [●], an English national daily newspaper, [●], a Hindi national daily newspaper and [●] a Tamil newspaper, each with wide circulation (Tamil being the regional language of Tamil Nadu, the place where the Registered Office of our Company is situated), and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. Further, our Company, and the Selling Shareholders in consultation with the BRLMs, may decide to close the Bidding Period for QIBs one day prior to the Bid Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid Opening Date was published, in accordance with SEBI Regulations. |
| Bid Opening Date | Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, and which shall be the date notified in an [●], an English national daily newspaper, [●], a Hindi national daily newspaper and [●] a Tamil newspaper, each with wide circulation (Tamil being the regional language of Tamil Nadu, the place where the Registered Office of our Company is situated), and in case of any revision, the extended Bid Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. |
| Bidding Period | Except in relation to Anchor Investors, the period between the Bid Opening Date and the Bid Closing Date inclusive of both days during which Bidders, other than Anchor Investors, can submit their Bids, including any revisions thereof. Provided however that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.<br><br>Our Company and the Selling Shareholders in consultation with the BRLMs may decide to close the Bidding Period by QIBs one day prior to the Bid Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid Opening Date was published, in accordance with SEBI Regulations. |
| Bid Lot | [●] Equity Shares. |
| Book Building Process | The book building process as described in Part A of Schedule XI of the SEBI Regulations in terms of which the Offer is being made. |
| "Book Running Lead Managers" or | Book running lead managers to this Offer, being Axis Capital Limited and ICICI |

| Term | Description |
|---|---|
| "BRLMs" | Securities Limited. |
| "CAN" or "Confirmation of Allocation Note" | Notice or intimation of allocation of Equity Shares to be sent to the Anchor Investors, who will be allotted Equity Shares after the Anchor Investor Bidding Date. |
| Cap Price | The higher end of the Price Band and any revisions thereof, above which the Offer Price, the Anchor Investor Allocation Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. |
| Category II FPI | FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations. |
| Category III FPI | FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations. |
| "Collecting Depository Participant" or "CDP" | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Cut-Off Price | The Offer Price finalised by the Selling Shareholders and our Company, in consultation with the BRLMs.<br><br>Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price. |
| Demographic Details | Details of the Bidders, including address, name of the Bidder's father/husband, investor status, occupation and bank account details. |
| Depository | A depository registered with SEBI under the Depositories Act. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| "Depository Participant" or "DP" | A depository participant registered with SEBI under the Depositories Act. |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants.<br><br>The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com). |
| Designated Date | The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Offer Account, as the case may be, after the Prospectus is filed with the RoC. |
| Designated Intermediaries | Collectively, the Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer. |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.<br><br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com). |
| Designated SCSB Branches | Such branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker or a CDP or an RTA, may submit the Bid cum Application Forms, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, updated from time to time, and at such other websites as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | [●]. |
| "Draft Red Herring Prospectus" or "DRHP" | This draft red herring prospectus dated May 5, 2017 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations and the Companies Act, 2013 and the rules thereunder which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer. |
| Eligible FPIs | FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby. |
| Eligible NRIs | NRIs from a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof. |
| Eligible Employee | A permanent and full-time employee working in India or abroad of (i) our Company or our Subsidiaries, or a Director of our Company, whether whole-time or part-time, as on the date of registration of the Red Herring Prospectus with the RoC, (ii) who is based, working and present in India as on the date of submission of the ASBA Form and who continues to be in such employment until submission of the ASBA Form, but |

| Term | Description |
|---|---|
| | excludes our Promoter and Promoter Group and such other persons not eligible under applicable laws, rules, regulations and guidelines. |
| Employee Discount | Discount of ₹ [●] to the Offer Price which may be offered to Eligible Employees Bidding in the Employee Reservation Portion, as decided by our Company and the Selling Shareholders in consultation with the BRLMs. |
| Employee Reservation Portion | Up to [●] Equity Shares aggregating up to ₹ 5 million, available for allocation to Eligible Employees on a proportionate basis. |
| Escrow Account | An account opened for this Offer with the Escrow Collection Bank for the purposes of deposit of Bid Amounts by Anchor Investors. |
| Escrow Agreement | The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the Escrow Collection Bank, the Refund Bank(s), the Public Offer Account Bank, the BRLMs and the Syndicate Members for the deposit of Bid Amounts from Anchor Investors and for remitting refunds, if any, to the Bidders on the terms and conditions thereof. |
| Escrow Collection Bank | [●]. |
| First Bidder | The Bidder whose name appears first in the Bid cum Application Form or Revision Form. |
| Floor Price | The lower end of the Price Band, subject to any revisions thereof, not being less than the face value of Equity Shares and at or above which the Offer Price will be finalized and below which no Bids will be accepted, in this case being ₹ [●]. |
| Fresh Issue | The issue of up to [●] Equity Shares aggregating up to ₹ 1,300 million, to be issued by our Company for subscription pursuant to the terms of the Red Herring Prospectus. |
| ICICI Securities | ICICI Securities Limited |
| Mutual Funds | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. |
| Mutual Fund Portion | 5% of the Net QIB Portion, available for allocation to Mutual Funds only out of the Net QIB Portion on a proportionate basis. |
| Net Offer | The Offer less the Employee Reservation Portion |
| Net Proceeds | The Offer Proceeds less the amount to be raised with respect to the Offer for Sale and less our Company's share of the Offer expenses. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors. |
| Non-Institutional Bidders/NIIs | All Bidders (including Sub-Accounts which are foreign corporate or foreign individuals) who are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs). |
| Non-Institutional Portion | The portion of the Offer being not more than 15% of the Net Offer consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis, subject to valid Bids being received at or above the Offer Price. |
| Offer | Initial public offering of up to [●] Equity Shares aggregating up to ₹ [●] million consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,300 million by our Company and an Offer for Sale of up to 3,767,254 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. |
| Offer Agreement | The offer agreement entered into on May 5, 2017 among our Company, the Selling Shareholders, and the BRLMs. |
| Offer for Sale | The offer for sale of up to 3,767,254 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. |
| Offer Price | The price (less Retail Discount and Employee Discount, as applicable) at which Allotment will be made to the Bidders as determined by our Company and the Selling Shareholders in consultation with the BRLMs in accordance with the Book Building Process and the Red Herring Prospectus.<br><br>Provided that for the purpose of Anchor Investors, the Offer Price shall be the Anchor Investor Offer Price.<br><br>Unless otherwise stated or the context otherwise implies, the term Offer Price refers to the Offer Price applicable to investors other than Anchor Investors. |
| Offer Proceeds | The proceeds of this Offer based on the total number of Equity Shares Allotted or transferred under this Offer and the Offer Price. |
| Price Band | Any price between the Floor Price and Cap Price inclusive of the Floor Price and Cap Price and any revisions thereof decided by our Company and the Selling Shareholders in consultation with the BRLMs, together with the minimum Bid Lot for the Offer and advertised in [●], an English national daily newspaper, [●], a Hindi national daily newspaper and [●] a Tamil newspaper, each with wide circulation (Tamil being the regional language of Tamil Nadu, the place where the Registered Office of our |

| Term | Description |
|---|---|
| | Company is situated), at least five Working Days prior to the Bid Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on its website. |
| Pricing Date | The date on which the Offer Price is decided by our Company and the Selling Shareholders in consultation with BRLMs. |
| Prospectus | The prospectus to be filed with the RoC for this Offer after the Pricing Date, including any addenda or corrigenda thereto, in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations containing, *inter-alia*, the Offer Price, size of the Offer and certain other information. |
| Public Offer Account | A bank account opened with a BTI under section 40 of the Companies Act, 2013 to receive money from the Escrow Account on the Designated Date and into which the funds shall be transferred by the SCSBs from the ASBA Accounts . |
| Public Offer Account Bank | [●] |
| “QFIs” or “Qualified Foreign Investor” | A qualified foreign investor as defined in the SEBI FPI Regulations. |
| “QIBs” or “Qualified Institutional Buyers” | A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI Regulations. |
| QIB Bid Closing Date | In the event our Company and the Selling Shareholders in consultation with the BRLMs, decides to close the Bidding Period for QIBs one day prior to the Bid Closing Date, the date one day prior to the Bid Closing Date; otherwise it shall be the same as the Bid Closing Date. |
| QIB Portion | The portion of the Offer being at least 75% of the Net Offer which shall be Allotted to QIBs (including Anchor Investors). |
| “Red Herring Prospectus” or “RHP” | The red herring prospectus to be issued by our Company including any addenda or corrigenda thereto, in accordance with Section 32 of the Companies Act, 2013 and the SEBI Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer. |
| Registered Broker Centre | A broker centre of the stock exchange with broker terminals, wherein a Registered Broker may accept Bid cum Application Forms, details of which are available on the website of the Stock Exchanges, and at such other websites as may be prescribed by SEBI from time to time. |
| Registered Broker | A broker registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers Regulations), 1992, having terminals in any of the Registered Broker Centres, and eligible to procure Bids in terms of the circular no. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI. |
| Registered Foreign Portfolio Investor or RFPI | Foreign portfolio investor registered under the SEBI FPI Regulations. |
| Refund Account(s) | The account(s) opened with the Refund Bank(s), from which refunds of the whole or part of the Bid Amounts (excluding for the ASBA Bidders), if any, shall be made. |
| Refund Banker(s) | [●]. |
| Refunds through electronic transfer of funds | Refunds through NACH, NEFT, direct credit or RTGS, as applicable. |
| “Registrar” or “Registrar to the Offer” | Karvy Computershare Private Limited, the registrar to the Offer. |
| Retail Discount | Discount of ₹ [●] to the Offer Price which may be offered to Retail Individual Bidders as decided by our Company and the Selling Shareholders in consultation with the BRLMs. |
| Retail Individual Bidders | Bidders (including HUFs applying through their Karta and Eligible NRIs), other than Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount less than or equal to ₹ 200,000 in any of the bidding options in the Offer. |
| Retail Portion | The portion of the Offer being not more than 10% of the Net Offer, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI Regulations. |
| Revision Form | The form used by the Bidders (other than QIBs and Non-Institutional Investor), to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous revision form(s), as applicable. |
| RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| “Self Certified Syndicate Banks” or “SCSBs” | The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, |

| Term | Description |
| --- | --- |
| | updated from time to time, or at such other website as may be prescribed by SEBI from time to time. |
| Share Escrow Agreement | The agreement to be entered into amongst the Selling Shareholders, our Company and the Registrar in connection with the transfer of the respective portion of Equity Shares offered by each of the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees. |
| Stock Exchange(s) | BSE and NSE. |
| Sub Syndicate | The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms. |
| Syndicate Agreement | The agreement to be entered into amongst the Syndicate, our Company and the Selling Shareholders in relation to collection of Bids in this Offer (excluding Bids from ASBA Bidders procured directly by SCSBs and Bids procured by Registered Brokers). |
| Syndicate Bidding Centres | Syndicate and Sub Syndicate centres established for acceptance of the Bid cum Application Forms and Revision Forms. |
| Syndicate Members | Intermediaries registered with the SEBI who are permitted to carry out activities as underwriters, in this case being [●]. |
| Syndicate /members of the Syndicate | The BRLMs and the Syndicate Members. |
| Underwriters | [●]. |
| Underwriting Agreement | The agreement to be entered into between the Underwriters, our Company and the Selling Shareholders on or immediately after the Pricing Date but before filing of the Prospectus. |
| Working Days | All days, other than second and fourth Saturdays of the month, Sunday or a public holiday, on which commercial banks in India are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bidding Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, on which the commercial banks in Mumbai are open for business; and (c) the time period between the Bid Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016. |

### Conventional/General Terms and Abbreviations

| Abbreviation | Full Form |
| --- | --- |
| AIFs | Alternative investment funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| AGM | Annual general meeting |
| AS | Accounting standards as issued by the Institute of Chartered Accountants of India |
| A.Y. | Assessment year |
| BSE | BSE Limited |
| CAGR | Compounded annual growth rate |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate identity number |
| Client ID | Client identification number of the Bidder's beneficiary account |
| Companies Act, 2013 | Companies Act, 2013, to the extent notified |
| CCI | Competition Commission of India |
| Competition Act | Competition Act, 2002 |
| Consumer Protection Act | Consumer Protection Act, 1986 |
| DIN | Director identification number |
| DP | Depository participant, as defined under the Depositories Act, 1996 |
| DP ID | Depository participant's identification |
| ECS | Electronic clearing system |
| EGM | Extraordinary general meeting |
| EPS | Earnings per share |
| FCNR Account | Foreign Currency Non-Resident Account |
| FDI | Foreign direct investment, as laid down in the Consolidated FDI Policy dated June 7, 2016 |
| FEMA | Foreign Exchange Management Act, 1999, as amended, together with rules and regulations framed thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| FII | Foreign Institutional Investors as defined under the SEBI FPI Regulations and who |

| Abbreviation | Full Form |
|---|---|
| | are deemed to be Foreign Portfolio Investors under the SEBI FPI Regulations |
| FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| FIPB | Foreign Investment Promotion Board |
| “fiscal” or “Financial Year” or “FY” | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| FVCI | Foreign venture capital investors (as defined under the FVCI Regulations) registered with SEBI |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| GAAP | Generally accepted accounting principles |
| GBP | Great Britain Pound |
| GDP | Gross domestic product |
| GIR Number | General Index Register Number |
| “GoI” or “Government of India” or “Central Government” | The Government of India |
| GST | Goods and services tax |
| HUF | Hindu undivided family |
| IFRS | International Financial Reporting Standards |
| Indian GAAP | Generally accepted accounting principles in India |
| Ind AS | Indian accounting standards |
| IPO | Initial public offer |
| IT | Information Technology |
| Income Tax Act | Income Tax Act, 1961 |
| Income Tax Department | Income Tax Department, GoI |
| MAT | Minimum alternate tax |
| MCA | Ministry of Corporate Affairs, GoI |
| MICR | Magnetic Ink Character Recognition |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NCLT | National Company Law Tribunal |
| NEFT | National Electronic Funds Transfer |
| NIF | National Investment Fund set up by resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India |
| NRE | Non-Resident Entity |
| NRE Account | Non-Resident External Account, established and operated in accordance with FEMA |
| NRI | An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955. |
| NRO Account | Non-Resident Ordinary Account, established and operated in accordance with FEMA |
| NR | Non resident |
| NSDL | National Securities Depository Limited |
| NSE | The National Stock Exchange of India Limited |
| OCBs | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA |
| ODI | Offshore Derivative Instruments |
| p.a. | Per annum |
| PAN | Permanent account number allotted under the Income Tax Act |
| PAT | Profit after tax |
| PBT | Profit before tax |
| P/E Ratio | Price/earnings ratio |
| PLR | Prime lending rate |
| RBI | Reserve Bank of India |
| “RoC” or “Registrar of Companies” | Registrar of Companies, Tamil Nadu |
| “₹” or “Rupees” or “Rs.” | Indian Rupees |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India established under the SEBI Act |

| Abbreviation | Full Form |
|---|---|
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI ESOP Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |
| SEBI Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| Securities Act | U.S. Securities Act of 1933, as amended |
| State government | The government of a state of the Republic of India |
| Sub-Account | Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as repealed, and who can continue to buy, sell or otherwise deal in securities under the SEBI FPI Regulations |
| Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| TIN | Taxpayer identification number |
| "U.S." or "US" or "U.S.A" or "United States" | The United States of America, together with its territories and possessions |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| VCFs | Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be |
| Wilful Defaulter | Company or person who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such |

## Industry/Project Related Terms, Definitions and Abbreviations

| Abbreviation | Full Form |
|---|---|
| ATV | Average Transactional Value, being the total revenue earned (net of service tax) from matchmaking services for the period divided by the total number of paid subscriptions for the period |
| CMDA | Chennai Metropolitan Development Authority |
| CGU | Cash-generating units |
| CIA Factbook | United States Central Intelligence Agency "World Factbook" |
| comScore Report | Traffic share distribution from April 2014 to March 2017 for Matrimony.com, Jeevansathi and Shaadi.com matrimonials compiled by comScore, Inc. |
| Consim USA | Consim Info USA Inc. |
| CPC | Civil Procedure Code, 1908 |
| CSR | Corporate Social Responsibility |
| EBITDA | Earnings before interest, tax, depreciation and amortization. The Company measures EBITDA on the basis of profit / (loss) from total operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense. It should be noted that EBITDA may not be comparable to similarly titled measure presented by other companies |
| FEMA ODI Regulations | Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 |
| Google | Google India Private Limited |
| IPOPL | India Property Online Private Limited |
| Key Business Metrics Report | Key business metrics report dated May 2, 2017 prepared by R.G.N. Price & Co. |
| KPMG | An independent management consultant. |
| KPMG Report | Report dated May 4, 2017 entitled "Market Study of Online Matrimony & Marriage Services in India" prepared by KPMG, pursuant to an engagement with the Company. |
| Matchify | Matchify Services Private Limited |
| MII | Match International Inc., USA |
| MIMA | Matrimony.com's Intelligent Matchmaking Algorithm |
| NASSCOM | National Association of Software and Services Companies |
| R&D | Research and development |
| TRAI | Telecom Regulatory Authority of India |
| UIN | Unique Identification Number |

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have the same meaning as is assigned to such words and expressions under the SEBI Regulations, the Companies Act, 1956, to the extent applicable, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections titled, "*Statement of Tax Benefits*", "*Financial Statements*" "*Main Provisions of the Articles of Association*" and "*Offer Procedure-Part B-General Information*" at pages 124, 202, 444 and 412 respectively, have the meanings given to such terms in these respective sections.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

### Currency of Presentation

All references to "Rupees", "Rs." "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "U.S. Dollar" or "USD" or "US$" are to United States Dollar, the official currency of the United States of America and "GBP" or "£" are to Pound Sterling, the official currency of United Kingdom.

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, have been taken as of March 31, 2017 and are as follows:

| Currency | Exchange rate |
|---|---|
| USD | 64.84 |
| GBP | 80.88 |

*Sources: www.rbi.org.in*

Such conversions should not be considered as a representation that such U.S. Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

### Financial Data

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Summary Statements as of and for the fiscal years ended March 31, 2013, 2014, 2015, 2016 and 2017 and the annexures thereto and our Restated Unconsolidated Summary Statements as of and for fiscal 2013, 2014, 2015, 2016 and 2017 and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with the applicable provisions of the Companies Act, 1956, to the extent applicable, and the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI Regulations.

Our Company's Fiscal Year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal are to the 12 month period ended March 31 of that year, unless specified otherwise.

All the numbers in this document have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise.

We prepare our financial statements in accordance with Indian GAAP, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which Indian GAAP financial statements restated in accordance with the SEBI Regulations included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, 2013, Indian GAAP and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our Financial Statements to those under IFRS or U.S. GAAP and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For risks in relation to this, please see the section titled "*Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition***.**" on page 42.

India has decided to converge its existing standards with IFRS, referred to as the "*Indian Accounting Standards*" or "*Ind AS*". In terms of a notification dated February 16, 2015 released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on or after April 1, 2017. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. In accordance with the SEBI circular dated March 31, 2016, no financial statements prepared in accordance with Ind AS have been included in this Draft Red Herring

Prospectus. For risks in relation to this, please see the section titled "*Risk Factors - Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards. In addition, all income-tax assessees in India, including our Company, will be required to follow the Income Computation and Disclosure Standards*." See also the section titled "*Summary of significant differences between Indian GAAP and Ind AS*" on page 332.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

**Market and Industry Data**

Industry and market data used throughout this Draft Red Herring Prospectus has been obtained from various industry publications such as the *Internet World Stats statistics* available at *http://www.internetworldstats.com; traffic share distribution data from April 2014 to March 2017 for Matrimony.com, Jeevansathi and Shaadi* compiled by comScore, Inc. (the "**comScore Report**") and the report titled "*Market Study of Online Matrimony & Marriage Services in India*" dated May 4, 2017 (the "**KPMG Report**") that we have commissioned from KPMG, an independent management consultant. The KPMG Report contains disclaimers and scope limitations pertaining to the work performed by it. The KPMG Report should be referred to for the full text of the disclaimers and scope limitations.

*The information contained in the KPMG Report is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on the information contained in the KPMG Report or any part thereof, without appropriate professional advice and due consideration. The KPMG Report reflects the position only as of the date of the KPMG Report, pursuant to an engagement letter between the Company and KPMG dated April 26, 2017, and KPMG does not undertake to update the information already contained in the KPMG Report. KPMG has subsequently consented to inclusion of extracts of the KPMG Report prepared by it in this Draft Red Herring Prospectus through its letter dated May 4, 2017. The KPMG Report does not attest the capabilities of our Company. The KPMG Report sets forth KPMG's views based on completeness and accuracy of the facts stated to it by the Company, and KPMG assumes no responsibility for the same. While performing the work, KPMG has assumed the genuineness of all signatures and the authenticity of all original documents in respect of the information received by it. It has not independently verified the correctness or authenticity of the same. KPMG has not performed an audit and does not express an opinion, or any other form of assurance. Further, comments in the KPMG Report are not intended, nor should they be interpreted to be legal advice or opinion. While information obtained from the public domain or external sources ("**Information**") has not been verified for authenticity, accuracy or completeness, KPMG has obtained Information, as far as possible, from sources generally considered to be reliable, inter alia, from the Internet and Mobile Association of India ("**IAMAI**"). KPMG does not guarantee the accuracy, adequacy or completeness of Information and is not responsible for any errors or omissions in the Information or for the results obtained from the use of such Information. The KPMG Report may make reference to "KPMG Analysis"; this indicates only that it has (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; KPMG does not accept responsibility for the veracity of underlying Information. KPMG's views are not binding on any person, entity, authority or court; hence, no assurance is given that a position contrary to the opinions expressed in the KPMG Report will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law. In accordance with its policy, KPMG disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers/users/transmitters/distributors in the Offer who uses or relies upon the KPMG Report or extracts therefrom. The KPMG Report cannot and do not make a recommendation to anyone for investment in the Company.*

*Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares.*

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors*" on page 17. Accordingly, investment decisions should not be based solely on such information.

**Certain Conventions**

All references in this Draft Red Herring Prospectus to India are to the Republic of India. All references in this Draft Red Herring Prospectus to the USA, U.S. or United States are to the United States of America.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward looking statements". These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our ability to maintain our telecommunication and information technology systems, networks and infrastructure, and our systems and processes for protection of our databases and online content;
- Our ability to protect our intellectual property, including our trademarks and internet domains;
- Competition in the online matchmaking business in India;
- Our ability to convert free members to paid members and to retain existing paid members on our matrimonial websites;
- Changes in technology and evolving industry standards and norms;
- Misuse of our online service platforms;
- Our ability to prevent fraudulent activities on our websites;
- Our ability to build and maintain our brand names; and
- Growth in internet and mobile-internet penetration in India.

For a further discussion of factors that could cause our actual results to differ, see the sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" at pages 17, 138 and 337, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements speak only as of the date of this Draft Red Herring Prospectus. None of our Company, the Selling Shareholders, our Directors, our officers, any of the BRLMs or any of their respective affiliates or associates has any obligation to update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the BRLMs will ensure that investors in India are informed of material developments until the commencement of listing and trading of the Equity Shares on the Stock Exchanges. Each of the Selling Shareholders will ensure that investors are informed of material developments in relation to statements and undertakings expressly made by such Selling Shareholder in this Draft Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus and make it publicly accessible in the manner specified by SEBI.

## SECTION II – RISK FACTORS

## RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 138 and 337 as well as other information contained in this Draft Red Herring Prospectus. If any of the following risks or any of the other risks and uncertainties discussed in this Draft Red Herring Prospectus actually occurs, our business, financial condition, results of operations and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Offer. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page16.*

*Unless the context requires otherwise, the financial information used in this section is derived from our Restated Consolidated Summary Statements as of and for the fiscal years ended March 31, 2013, 2014, 2015, 2016 and 2017 and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI Regulations. Data included in this section in relation to key business metrics has been reviewed and verified by R.G.N. Price & Co., a firm of Chartered Accountants, and is included in their report dated May 2, 2017 (the "**Key Business Metrics Report**").*

*Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended March 31 of that year. Unless the context otherwise indicates or implies, all references to "we", "our" and "us" in this section are to Matrimony.com Limited and its consolidated subsidiaries.*

### Internal Risk Factors

***1. We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively provide our products and services.***

We are primarily in the business of providing online matchmaking services through technology-driven media, and we rely on information technology and telecommunications systems and networks and related infrastructure, some of which have been customized and developed internally. As such, our business operations, the quality of our service and our ability to attract and retain customers depend on the efficient and uninterrupted operation, reliability, speed and availability of such systems, networks and infrastructure, both internal and external. Our websites, mobile sites, mobile apps and servers are vulnerable to telecommunications failures, downtime, computer viruses, hacking, defacement, physical or electronic break-ins and similar disruptions, which could lead to accessing difficulties, service interruptions, delays, loss of our database content, inability to accept and/or fulfill user requests or inaccurate data being processed or displayed. We have experienced in the past, and may in future experience, system disruptions on our websites, mobile sites or mobile apps. For example, our websites were operating below optimal level for three months in fiscal 2014 due to a change of hosting infrastructure and the unprecedented floods in Chennai in December 2015 affected our systems. Further, our customer resources management team utilizes certain hardware and software that are end-of-life products. We cannot assure you that our back-up and disaster recovery measures and business continuity planning would effectively eliminate or alleviate the risks arising from the above contingencies. Any damage to or failure of our systems could lead to loss of our database content or interruptions or delays, thereby impairing our ability to effectively provide our services, which could result in customer dissatisfaction.

We may also experience interruptions caused by reasons beyond our control. Our success will depend upon third parties maintaining and improving the Internet infrastructure to provide a reliable network with speed and adequate data capacity and telecommunication networks with good clarity and lower congestion. Further, our websites are currently hosted in a private cloud in an enterprise class data center hosted in Mumbai by Tata Communications Data Centers Private Limited, a service provider located in India, and any disruptions at their end will affect our websites. We may also in future experience misuse by third parties who use our websites to send spam emails to our members, which may result in our members unsubscribing from our services. Spam that can be traced to our server not only exposes us to liability but also poses the threat of our legitimate emails being blocked by anti-spam monitoring agencies and/or tools.

We may not have access to alternative telecommunication networks other than those we currently use, in the event of disruptions, failures or any other problems in the network or infrastructure of our current telecommunications service providers. In addition, we cannot assure you that a more technologically sophisticated and reliable fixed telecommunications network or Internet infrastructure will be developed in India that will ensure our ability to deliver smooth and reliable provision of our products and services to our users.

Any of the above could disrupt our ability to operate our online services or may materially affect the efficiency of the services provided by us, our reputation and financial condition.

2. ***If third parties, including our current or future competitors, or our employees are able to circumvent our protection measures which are put in place for the protection of our database or systematically copy our online content or misappropriate confidential information, our business and reputation would be adversely affected.***

All our trademarks, online domains and other intellectual property rights are our material assets and are crucial to our business operations. We depend on a combination of trademark laws, domain name protection laws and confidentiality provisions and provisions that restrict the post-employment operations of our employees in their employment agreements to protect our logo, brand name, domain names, database and customized information technology. We have applied for the registration of various trademarks India and while we have obtained registration with respect to some, registration of the others is pending as of the date of this Draft Red Herring Prospectus. For further details, see the section titled "*Government and Other Approvals—Intellectual Property Related Approvals*" on page 373.

Even with such precautions, we cannot assure you that our database or proprietary technology will not be copied or obtained by third parties. Third parties have in the past collected, and third parties may in the future collect, information from our websites, mobile sites and mobile apps and start online portals displaying the same information. Historically, we have taken legal action in this regard. We are currently involved in and have initiated legal proceedings against certain third parties for data theft from our websites, passing off and intellectual property right infringement, and may in the future need to resort to litigation or other proceedings to enforce, protect or determine the validity and scope of our intellectual property rights, including in relation to our database, and to defend against third party infringements, which may be expensive and resource-consuming and might create uncertainty as to the ownership of such rights while the case is being decided (which may take substantial amounts of time) and fail to result in a satisfactory remedy or recourse. For further details, see the section titled "*Outstanding Litigation and Material Developments—Litigation initiated by our Company—Material Civil Proceedings*" on page 364.

Our employees are required under their employment agreement to keep confidential all information relating to our clients, working systems technical know-how, security arrangements and administrative or organization matters of our Company or clients during and after their employment with us. Further, our employees are required to acknowledge that all intellectual property rights such as copyrights, patents, trademarks and secrets developed by them during their employment are our property. In addition, our mid and senior level employees are also restricted, for a period of one year from the end of their employment with us, from controlling, providing consultancy to or being employed by any business similar to ours, either by soliciting any of our customers or by operating in our line of business. However, we may not have sufficient internal controls and processes to ensure that our employees comply with their obligations under their employment agreements and there can be no assurance that such provisions will adequately prevent the disclosure of confidential information, such as the information relating to our members, by an employee.

If we fail to prevent third parties or our employees from circumventing our protection measures or if we fail to successfully prosecute third parties or our employees from using or copying our website, mobile site or mobile app content or misappropriate confidential information, this could damage our reputation, cause interruptions in our operations, expose us to a risk of loss or litigation and possible liability, and could also cause customers and potential customers to lose confidence in our internal systems and processes, which would have a negative effect on the demand for our services and products.

***3. We face significant competition in our online matchmaking business from Indian companies, and we may be unsuccessful in competing against current and future competitors, which could have an adverse impact on the pricing of our services as well as increase the costs associated with growing our customer base.***

The matchmaking industry in India is highly competitive, and we expect that the competition in this industry will continue to increase. Our key online competitors are Shaadi.com and Jeevansathi.com, and our key offline competitors include traditional brick and mortar companies offering marriage bureau and matchmaking services as well as community associations. The content of our database is provided by our customers who are not bound by any exclusivity with us and are therefore not prohibited from providing the same content to our competitors. Further, our competitors include traditional media, such as magazines, newspapers and traditional matrimonial agencies. Other new entrants, locally and/or internationally, may enter the online matchmaking industry in India and compete against us. If we are not able to compete effectively with existing or future competitors, our business and financial condition could be adversely affected.

The management of some of our competitors may have more experience in implementing their business plan and strategy, may offer more innovative features on their websites and may be more successful in increasing the number of users on their websites or increasing the revenues generated from their Internet operations. We expect that our costs related to marketing and human resources will increase as our competitors undertake marketing campaigns to enhance their brand name and increase the volume of business conducted through their websites. We expect many of our online competitors to expend financial and other resources to improve their network and system infrastructure, including website design, to compete more aggressively. Our online competitors may also provide online matchmaking services for free or at substantially lower cost than us or offer more innovative and cost-effective subscription packages in an effort to attract more customers and build up a substantial database of profiles of prospective brides and grooms. Our inability to adequately address these and other competitive pressures will likely have a negative impact on the level of fees we can charge for our services, as well as increase the costs associated with growing our customer base, which is likely to have a material adverse effect on our business, prospects, financial condition and results of operations.

***4. We may fail to convert free members to paid members or fail to retain our existing base of paid members.***

Users can register on our websites, mobile sites and mobile apps for free. Once members are registered with our websites, they can contact and may be contacted by other members. Members who have registered on our websites, mobile sites or mobile apps for free can send standard format "ExpressInterest" messages to other members with whom they wish to initiate contact and may also search the names of other registered members on other online or social media platforms to contact these members without paying subscription fees for our services. In addition, existing paid members may choose not to renew their subscriptions for various reasons, including the inability to find a suitable match or an unsatisfactory user experience, which may occur due to various factors, including the inability of our Company or our service or retail executives to deliver to our customers' expectations or personal preferences of the user, and existing paid members will not renew their subscriptions once they have found suitable matches. Given that subscription revenue accounted for almost all of our revenue for matchmaking services in each of fiscal 2015, fiscal 2016 and fiscal 2017, this failure to convert free members to paid members or retain our existing base of paid members will adversely affect our business, prospects, brand, reputation, financial condition and results of operation.

***5. Our Restated Consolidated Summary Statements reflect that we had a negative net worth of ₹ 311.32 million as of March 31, 2017.***

As of March 31, 2017, our Restated Consolidated Summary Statements reflect that we had a negative net worth of ₹ 311.32 million. We have also incurred restated losses in three of the past five fiscal years. For example, we sustained restated consolidated losses of ₹ 91.59 million, ₹ 29.29 million and ₹ 750.69 million in fiscal 2014, fiscal 2015 and fiscal 2016, respectively. Our losses in fiscal 2014, fiscal 2015 and fiscal 2016 primarily resulted from the impact of exceptional expenses incurred in defending our Company, our subsidiaries, our Promoter and certain of our investors in connection with the *Desai et al. v. Infonauts, Inc., et al.* litigation as well as the settlement of all claims in relation to such litigation, which have negatively impacted our results of operations, net worth and cash flows, and which may continue to negatively impact, our cash flows. For further details, see the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 337. For a description of the settlement agreement, see the section titled "*History and Certain Corporate Matters—Material Agreements—Other Agreements—Agreements in relation to settlement of the Desai et al. v. Infonauts litigation*" on page 170.

Although our revenue from operations has grown, our revenue growth in the future may be lower. You should not rely on the revenue growth of any prior period as an indication of our future performance. We also expect our costs to increase in future periods as we continue to spend substantial financial resources to:

- increase awareness of our brands through advertising, marketing and brand building initiatives;
- grow the number of paid subscribers on our websites;
- employ additional staff to provide matchmaking and marriage services to our users;
- make settlement payments under the settlement agreement in relation to the *Desai et al. v. Infonauts et al.* litigation;
- develop and improve our technology infrastructure, hardware and software and replace obsolete hardware and software;
- purchase land for the construction of office premises in Chennai; and
- enhance our user experience, including through development and augmentation of mobile apps and websites.

These expenditures may not yield additional revenue as we anticipate or at all. If we are unable to achieve revenue growth that outpaces the growth of our expenses, we may not achieve profitability, our net worth may remain negative, our cash position may deteriorate and our results of operation could be adversely affected.

***6. The Company has incurred substantial legal expenses in recent years on account of litigation with Rajan Desai and Real Soft Inc. and its settlement. Further, Consim USA (or the Company if Consim USA fails to do so) is required to make each Settlement Payment by a certain due date and any failure and/or delay in making the Settlement Payments or failure by our Promoter to comply with the terms of the Inter Se Agreement may materially and adversely affect our business prospects, financial condition, results of operations and cash flows.***

In May 2011, Rajan Desai and Real Soft, Inc. ("**US Plaintiffs**") filed a complaint in the Superior Court of New Jersey in Mercer County, New Jersey (such proceedings, the "**New Jersey Proceedings**"). After several amendments to the original complaint, the defendants to the New Jersey Proceedings were Infonauts, Consim USA, our Company, the respective boards of directors of Infonauts and Consim USA and our Promoter (collectively, the "**Defendants**"). In the New Jersey Proceedings, the US Plaintiffs alleged breach of the terms of a term-sheet signed by the US Plaintiffs with Infonauts (with our Promoter as signatory) in March 2001 and claimed various remedies, including specific performance of the term-sheet, award of an equity interest in 'bharatmatrimony.com' and a constructive trust on 'bharatmatrimony.com' and all associated businesses.

In July 2013, our Company filed a civil suit against the US Plaintiffs in the Madras High Court seeking, among other remedies, a permanent injunction against the US Plaintiffs from continuing the New Jersey Proceedings. In August 2013, the Madras High Court granted an *ex-parte* ad-interim injunction, restraining the US Plaintiffs from pursuing the New Jersey Proceedings, and from interfering in our Company's business (including the Offer). The term of this injunction was extended by the Madras High Court in November 2013 and December 2013. Subsequently, upon the US Plaintiffs making certain amendments to the New Jersey complaint notwithstanding the anti-suit injunctions, our Company filed a contempt application against the US Plaintiffs in the Madras High Court in March 2014. The civil suit and contempt applications are collectively referred to as the "**Chennai Proceedings**".

Subsequently, the US Plaintiffs and Defendants entered into a settlement and general release agreement on December 30, 2015 ("**Settlement Agreement**") to settle the New Jersey Proceedings and the Chennai

Proceedings (the "**Settlement**"). The US Plaintiffs and Defendants have mutually agreed and acknowledged the terms of the Settlement Agreement to be legally binding on them and their successors and assigns. The Settlement Agreement provides that the Settlement has been entered into as a compromise and final settlement of all disputed claims, and the US Plaintiffs and Defendants have expressly denied any wrongdoing or liability, and disclaimed any admission thereof. In terms of the Settlement Agreement, Consim USA has agreed to pay US$8 million ("**Settlement Amount**") to the US Plaintiffs in up to 22 monthly installments (the "**Settlement Payments**"). The payment of the Settlement Amount by Consim USA has been supported by an irrevocable corporate guarantee by our Company ("**Company Guarantee**") in favor of Rajan Desai. Pursuant to an agreement dated December 21, 2015 (as amended by an agreement dated April 28, 2017) among the Defendants, our Promoter has agreed to make a voluntary contribution of US$2 million to our Company in relation to the New Jersey Proceedings and the Chennai Proceedings within a prescribed time period (the "**Inter Se Agreement**") For further details on the Settlement Agreement, the Inter Se Agreement and the Settlement, see "*History and Certain Corporate Matters—Material Agreements—Other Agreements –Agreements in relation to settlement of the Desai et al. v. Infonauts litigation*" on page 170.

In terms of the Settlement Agreement, if Consim USA fails to make any of the Settlement Payments, the US Plaintiffs will be entitled to seek payment of the missed Settlement Amount from our Company pursuant to the Company Guarantee and our Company will be required to make the relevant Settlement Payment within 15 days from the date of notice sent by the US Plaintiffs. If the Settlement Payment is not received by the US Plaintiffs within such period of 15 days, (a) the remaining Settlement Amount will be due immediately with interest at the rate of the 8.75 percentage points over the Prime Rate (being the rate charged by US banks as reported by the Wall Street Journal's bank survey), on the unpaid amount and such interest will be deemed to have accumulated from the date the first Settlement Payment was due and will continue to accrue until the unpaid balance is paid, and (b) the US Plaintiffs will be entitled to file and enforce the Confession of Judgement executed by Consim USA. If the US Plaintiffs do not receive full payment of the Settlement Amount within one year of filing the Confession of Judgment, the US Plaintiffs will also be entitled to enforce the debt against our Company in respect of the Company Guarantee. Consim USA and our Company have also waived their defenses in any action in the United States and in India to enforce the debt other than certain specified defenses set forth in the Settlement Agreement.

The US Plaintiffs also have the right, upon Consim USA (a) not making a Settlement Payment within 15 days of its due date, or (b) failing to make two Settlement Payments on the date they are due, to require Consim USA to create a lockbox of its revenues where the first US$333,334 of each month will be paid to the US Plaintiffs, and the remaining funds will be released to Consim USA. The lockbox shall remain in existence until the Settlement Amount, and accrued interest, if any, is paid in full. As of April 20, 2017, Consim USA has paid the US Plaintiffs US$5,333,342 in accordance with the terms of the Settlement Agreement and the outstanding Settlement Amount was US$2,666,658. The last Settlement Payment is expected to be paid by December 2017.

In connection with the New Jersey Proceedings and the Chennai Proceedings, we incurred legal expenses amounting to ₹ 573.55 million between fiscal 2013 and fiscal 2016 towards legal or other fees and expenses as well as the settlement cost of ₹ 530.97 million in fiscal 2016 in connection with the Settlement of such proceedings. Consim USA has, in the past, missed payment of an instalment on the due date and received a default notice for such missed payment from representatives of the US Plaintiffs. The receipt of the instalment amount was subsequently confirmed by the representatives of the US Plaintiffs. Any failure and/or delay in making the Settlement Payments or failure by our Promoter to comply with the terms of the Inter Se Agreement may materially and adversely affect our business, financial condition, results of operations and cash flows. Further, if the Company Guarantee is invoked, our Company may be required to make the balance Settlement Payments, which may adversely affect our cash flows, financial condition and results of operation. Additionally, in the event the US Plaintiffs activate the lockbox arrangement, our consolidated cash flows may be adversely affected till such time that the Settlement Amount is paid in full.

7. ***Our business could be adversely affected if we fail to keep pace with changing technology and evolving industry standards and norms or fail to develop and introduce new products and services in a timely manner.***

The markets for our products and services are characterized by rapidly changing technology, evolving industry standards and norms, new product and service introductions and evolving website presentations and features. Our results of operations and financial condition depend on our ability to develop and introduce new products and services, as well as our ability to modify and upgrade our existing products and services. The process of developing new products and services or modifying existing products and services is complex and requires us to accurately predict and respond to customers' changing and diverse needs and emerging technological trends. The success of our new products and services will depend on several factors, including proper identification of market demands and the competitiveness of our products and services with the products and services introduced by our competitors. We cannot be sure that we will successfully identify new product and service opportunities, develop and introduce new products and services in a timely manner, price such new products and services at optimal levels, modify and upgrade existing products and services, achieve market acceptance of our products and services, or that products and services offered by our competitors will not render our products and services non-competitive. Our failure to respond successfully to any of these challenges will significantly harm our results of operations and financial condition.

***8. If our service platforms are misused, it could lead to user dissatisfaction and discourage the use of our products and services and have a material adverse effect on our business and reputation.***

We have experienced in the past, and may in the future experience, misuse of our service platforms, including third parties assuming our identity, uploading illegal content and circulating spam emails or viruses to our members. We have in the past faced, and currently face, challenges in relation to illegal data gathering, data theft, passing off and infringement of our trademarks, fraudulent registration of domain names similar to our existing domain names, impersonation and damage of goodwill and misuse of customer information and photographs. The occurrence of any such events in the future could lead to user dissatisfaction and discourage the use of our products and services. Such events may also give rise to complaints and actions against us. Any of these factors could have a material adverse effect on our brand, reputation, business, prospects, financial condition and results of operations.

***9. We are vulnerable to liability for fraudulent activities on our websites, mobile sites and mobile apps.***

In the past, individual profiles have been placed on our websites, mobile sites and mobile apps for persons without their consent. This included profiles of individuals who were already married. Although we monitor content on a random basis to remove objectionable or illegal content and have systems in place to narrow the possibility of fraudulent activities, such as making it mandatory for all members to verify their mobile numbers through our free mobile verification services to ensure that the number provided by a member is an active number and the introduction of an option for members to add various “Trust Badges” to their profiles, including the “Identity Badge”, which is activated by uploading a copy of any specified government-issued identity proof to add credibility to their profiles, due to the nature of the medium, it is impractical to verify every profile before each upload. For example, it is possible that certain members may provide false information and upload fabricated documents to their profiles to obtain “Trust Badges” with the intent to defraud other members. Such fraudulent activities damage our brand name and reputation and also make us vulnerable to complaints and claims from members for invasion of privacy and fraud by other members which may negatively affect our business, prospects, financial condition and results of operations. We have received, and continue to contest, several consumer complaints filed in various forums, which allege deficiency in our services and the provision of misleading and false representations.

***10. Privacy and data protection legislation and regulations and public perception concerning security and privacy on the Internet may adversely affect our reputation, business and profitability.***

In the processing of our customer transactions, we receive and store a large volume of member information. Our database of individual profiles is one of our material assets and is a key component in our business operations. Such information is increasingly subject to legislation and regulations in various jurisdictions, including India, and governments are increasingly acting to protect the privacy and security of personal information that is collected, processed, stored and transmitted in or from the governing jurisdiction. We could be adversely affected if legislation or regulations are expanded or amended to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, prospects, financial condition and results of operations. As privacy and data protection become more sensitive issues in India, we may also become exposed to potential liabilities. For example, under the Information Technology Act, 2000, as amended, we are subject to civil liability for wrongful loss or gain arising from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information on our computer systems, networks, databases and software. India has also implemented data protection laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information. Further, the Department of Electronics and Information Technology, Ministry of Communications and Information Technology, Government of India (currently, the Ministry of Electronics and Information Technology, Government of India), has on June 6, 2016 issued an advisory circular on the functioning of matrimonial websites and matrimonial mobile applications. The advisory recommends certain measures for matrimonial websites including a user agreement to be accepted by each user at the time of registration, submission of supporting documents to verify details of the profile uploaded by users, publishing of the name and contact details of the grievance officer of the company as well as a privacy policy for the websites which inform the user of its privacy practices, including internal controls to safeguard personal information. If our Company were to incur any liability for violation of such laws and regulations, the related costs of compliance and other burdens may adversely affect our reputation, business and profitability.

Moreover, public perception concerning security and privacy on the Internet could adversely affect customers' willingness to use our websites, mobile sites and mobile apps. A publicized breach of security in India, even if it only affects other companies conducting business over the Internet, including our competitors, could inhibit the growth of the Internet as a means of conducting commercial transactions, and, therefore, the prospects of our business.

***11. Infrastructure in India may not be upgraded in order to support higher Internet penetration, which may adversely affect our business and prospects and result in slower than expected growth for us.***

It is estimated that as of July 1, 2016, there were approximately 462 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile) and connection) in India, with an Internet penetration of 34.80%, compared to approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com/). According to the industry report dated May 4, 2017 entitled "*Market Study of Online Matrimony & Marriage Services in India*" (the "**KPMG Report**") prepared by KPMG, an independent management consultant, pursuant to an engagement with the Company, the number of Internet users in India is expected to reach over 730 million users by fiscal 2020, which would increase the penetration level to approximately 54.00% of the Indian population. There can be no assurance that Internet penetration in India will actually increase in the future as slowdowns or disruptions in upgrading efforts for infrastructure in India could reduce the rate of increase in the use of the Internet. The existing infrastructure may not be able to support a growth in users and traffic in India, and the increasing number of users, bandwidth requirements, problems caused by computer viruses and bugs may affect the performance of the Internet, leading to a variety of outages and other delays. These outages and delays could reduce the level of Internet usage generally. Any slowdown or negative deviation in the anticipated increase in Internet penetration in India may adversely affect our business and prospects and may result in slower than expected growth for us.

***12. Our inability to build and maintain our brand names will adversely affect our business, prospects, financial condition and results of operation.***

Brand recognition is important to the success of our business. Establishing and maintaining our brand names for people relying on online matchmaking services to look for marriage partners is critical to the success of the customer acquisition process of our business. Although we have expended, and expect to continue to expend, a significant amount of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and customer base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, prospects, financial condition and results of operations.

***13. We may not be able to reduce our dependency on search engines to direct users to our websites and mobile sites.***

We depend on various Internet search engines to drive a portion of the online traffic to our websites and mobile sites. The placement of the hyperlinks to our websites and mobile sites on the results of a user search on such search engines is used for driving online traffic to our websites and mobile sites. In addition, a portion of our users are currently directed to our websites and mobile sites through adwords, pay-per-click and display advertising campaigns. We currently use Internet search engines like Google to be featured for a certain amount per click through. The pricing and operating dynamics of these campaigns can change rapidly, and we cannot assure that our arrangements with such Internet search engines will not change adversely, or in the event that such changes occur, it will be on commercially acceptable terms. For example, under the terms of our arrangement with Google, Google may decide, at any time, to charge, suspend or discontinue all or any of its advertising programs, with notification to us and without any liability for such decision. Further, all advertisements submitted by us to Google are subject to its approval and Google may review, reject or remove any such advertisements or may modify or rearrange the text elements in such advertisements. Internet search engines that we utilize may change the logic used on their websites that determines the placement and display or results of a users' search, change our priority position or change the pricing of their advertising campaigns, in a manner that negatively affects the search engine ranking of our websites or mobile sites or the placement of hyperlinks to our websites or mobile sites. As a result, our access to existing and potential users may become limited as these users may be directed to our competitors or other alternatives. If we are unable to reduce our dependency on search engines, we remain subject to the change in "logic" and pricing and operating dynamics of these search engines, which may lead to a decline in our user traffic and adversely affect our business, prospects, financial condition and results of operations.

***14. The growth of our business depends on the growth of mobile Internet penetration and supporting infrastructure in India, and the steady emergence of mobile technology as a viable medium for receiving matchmaking and marriage services.***

According to the KPMG Report, it is estimated that mobile Internet penetration in India will grow at an average CAGR of 17.00% to reach 670 million users by fiscal 2020. We intend to continue to invest in our mobile platform in view of the increasing mobile usage among users in India. For further information, see the section titled "*Our Business—Strategy—Continue Investments in Mobile Platform*" on page 143. As of April 15, 2017, our BharatMatrimony mobile app and apps for our regional and community sites have achieved 5.8 million estimated installs according to www.androidrank.org. A significant number of our members currently utilize our mobile sites and mobile apps to access our online matchmaking services. According to the Key Business Metrics Report, in March 31, 2017, 81.00% of profile views, 72.00% of "Express Interest" messages, 54.00% of personalized messages sent and received and 62.00% of phone numbers viewed on our BharatMatrimony portals were undertaken through our mobile sites and mobile apps, and registrations through our mobile sites and mobile apps accounted for 72.00% of the total number of free profiles registered on our database. Although we have and will continue to invest substantially in the growth and success of our mobile platform and apps, there can be no assurance that the levels of mobile access will continue to increase.

The success of our mobile growth strategy depends in part on:

- the expansion of 3G and 4G networks, as well as broadband wireless access on mass-market smartphones and other mobile devices, in India;
- the quality and security of our mobile offerings, including mobile-based payment services;
- our ability to successfully deploy our existing and future apps on popular mobile operating systems such as iOS and Android;
- our ability to provide compelling platforms and tools in a multi-device environment; and
- our ability to adapt to the device standards used by customers.

While the growth potential of this market is difficult to forecast, we have identified mobile apps as a potentially strong revenue and growth source for our business. As with our other growth initiatives, we expect to incur significant costs in introducing and supporting our websites through mobile apps and our efforts may not be successful. For example, our mobile offerings may be less extensive than, or inferior in quality compared to, our competitors, and we may not be able to deploy our mobile apps on the most popular mobile operating systems or devices in a timely manner or at all. We may lose all or a substantial portion of our investment in this growth initiative, which may have a material adverse effect on our business, financial condition and results of operations.

***15. If we are unable to effectively collect payments for our services, in full or otherwise, from our members, it could lead to loss of revenue and in turn have an adverse effect on our business, prospects, financial condition and results of operations.***

Our members can choose among various payment methods to pay for their subscription and/or purchases of our services, including online payment using net banking or debit/credit cards, payment by cheque, cash or demand draft payments to certain designated bank accounts, payment through automated telephone payment systems or cash payment at our offices or to our doorstep collection executives.

The multiplicity of our payment collection methods gives rise to a number of collection risks. For instance, in the case of payments by cheques, some cheques provided by our members may bounce for reasons including insufficient account balances, incorrect details or fraud. In the last three fiscal years, cheques for certain negligible amounts of subscription revenue paid by our members have been dishonoured. While the paid membership of a member is reversed typically within two to three days in the event of bouncing of a cheque, such member may enjoy the benefits of paid membership while the membership status is in the process of being corrected. In the case of cash payments, our collection executives may under-report the amount of cash collected from customers to us. In addition, we have engaged, in the past, third party collection agents for doorstep collection of subscription amounts from customers in certain cities and may therefore be exposed to the credit risk of such third parties which are obligated to remit these payments to us either on the same day of collection or the next working day. Such doorstep collections by our collection executives or any third party collection agents that we may appoint are also vulnerable to theft or fraud. In the last three Fiscal Years we have lost negligible amounts on account of fraud, cash theft and underreporting by our collection executives. Any of the above could lead to loss of revenue and in turn adversely affect our business, prospects, financial condition and results of operations.

16. ***Certain changes in social trends may lead to a decrease in the number of customers subscribing for our online matchmaking products and services.***

According to the United Nations Children's Fund, Human Rights Council, ABC News, as of 2016, approximately 88.40% of marriages in India are arranged (source: "Arranged/Forced Marriage Statistics – Statistic Brain" Statistic Brain Research Institute, publishing as Statistic Brain. August 16, 2016 http://www.statisticbrain.com/arranged-marriage-statistics/), which refer to marriages that are arranged by people other than the individuals getting married, such as parents, matchmaking agencies, matrimonial sites or a trusted third party. Certain changes in social trends in India away from arranged marriages may lead to a decrease in the number of customers subscribing for our online matchmaking products and services, which will in turn adversely affect our business, prospects, financial condition and results of operation.

17. ***We continue to explore the diversification of our business and the implementation of new products and services, such as marriage services. This diversification and our other strategic initiatives may not be successful, such as in the case of our Tambulya.com and "Matchify" businesses which were introduced in 2015 but the operations of which we have decided in 2016 to reduce in a phased manner without any further investment, which may adversely affect our business, prospects, financial condition and results of operations.***

In order to achieve our goal of being a provider of a wide range of matrimony services, we constantly evaluate the possibilities of expanding our business through acquisitions and/or starting new products or services. We have launched marriage services such as MatrimonyDirectory.com for matrimony-related directory services, MatrimonyPhotography.com to provide wedding photography and videography services and MatrimonyBazaar.com to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers' wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy. For further details, see the section titled "*Our Business*" on page 138.

Although we believe that there are synergies between our current business and our expansion plans, we do not have any experience or expertise in certain of these new products and services, such as MatrimonyPhotography.com. These new products and services and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some which we are not aware of.

The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our existing resources and abilities. For example, in 2015, we had introduced Tambulya.com, an online marketplace, for gifts for weddings and other occasions on a bulk order basis but in July 2016, our Board decided to reduce the operations of our subsidiary which operates Tambulya.com in a phased manner without any further investment due to various operational challenges. As of the date of this Draft Red Herring Prospectus, the Tambulya.com website is not operational. Similarly, in 2015, we had also introduced a mobile-only relationship app, "Matchify", which focused on the mobile dating space in India, but we faced challenges in attracting female users and monetizing the business. As a result, in July 2016, our management decided to reduce the operations of our subsidiary which operates "Matchify" in a phased manner without any further investment since our view is that such relationships are not currently favored by a vast majority of the Indian market at this point in time. We have also in the past attempted to diversify into other online verticals such as jobs, property, automobiles, online classified, loan sourcing and sending bulk SMS which did not prove to be profitable and which we have since discontinued.

In addition, we cannot assure you that we will be successful in implementing any or all of our strategic initiatives. Our success in implementing our strategic initiatives and growth strategies may be affected by our ability to:

- maintain the quality of our products and services, such as fast and reliable response;
- create brand awareness in new markets;
- to increase our member and paid subscriber base;
- augment the delivery of our services through mobile apps;
- increase our subscription rates;
- understand local markets and deliver products and services that are meaningful and customized;
- assess changing preferences and new demands of our members and customize our existing services and also introduce new services to meet such preferences and demands;
- attract, train and retain employees who have the requisite skills;
- continue to expand our platform for the provision of our products and services;
- build, acquire, maintain and update the required technology and systems;
- compete effectively with existing and future competitors who may be able to successfully monetize synergistic sectors such as dating where we have faced challenges, including traditional media such as newspapers, magazines and traditional matrimonial agencies; and
- adapt to the changes in our regulatory environment.

Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategic initiatives. If we are not successful, our business, prospects, financial condition and results of operations may be adversely affected.

***18. Our revenue is subject to seasonal fluctuations and the second quarter of each year is considered inauspicious by our members and therefore subscription revenues during such quarter would register a slight dip which could in turn affect the price of our Equity Shares.***

Our business experiences seasonal fluctuations. We tend to experience lower revenue from our business during the second quarter of each year, which are considered inauspicious by our members. As a result, subscription revenues during such quarter would register a slight dip which could in turn affect the price of our Equity Shares, and quarter-to-quarter comparisons of our results may not be meaningful.

***19. If we are unable to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business it may materially and adversely affect our business and operations.***

In order to operate our various offices and retail outlets in India, we are required to obtain licenses under the applicable Shops and Establishments legislation of the various states in India in which our offices and retail centers are located. As of the date of this Draft Red Herring Prospectus, we have obtained registrations under the applicable Shops and Establishments legislation in 14 states and three union territories. In addition, we are in the process of applying for renewal of certain trade licenses required from municipal authorities for certain of our retail centers. These registrations are required to be renewed periodically and an inability to do so in a timely manner, or at all, may adversely affect our business. See the section titled "*Government and Other Approvals—Registrations under the relevant Shops and Establishment Acts*" on page 373. Moreover, we may be required to obtain, maintain and renew other statutory and regulatory licenses, permits and approvals in connection with the operation of our business, which licenses, permits and approvals may expire, pursuant to their terms, from time to time, including the registration of our intellectual properties. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations governing our business and operations, including in the telecommunication and electronic commerce sectors in India, could require us to apply for, obtain and maintain additional licenses and approvals. For instance, we may be considered to have not been in compliance with certain foreign exchange and foreign investment laws in relation to our erstwhile wholly owned subsidiary Matrimony Gifts Wholesale Private Limited. Further, we may be required to obtain registration as a "telemarketer" or an "other service provider" with the Telecom Regulatory Authority of India ("**TRAI**") in respect of our customer engagement efforts through telephone and email. Further, the conditions imposed in any such licenses may adversely affect our ability to communicate with our customers, which may adversely affect our business and operations. We cannot assure you that we will be able to procure and maintain each of these licenses, permits and approvals on a timely basis or at all. Further, these permits, licenses and approvals could be subject to several conditions, and we cannot assure you that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of our operations and may adversely affect our business, prospects, financial condition and results of operations. Any delay or absence of receipt of such licenses, permits or approvals or conditions imposed in such approvals may expose us to significant costs and expenses or cause us to modify or cease our operations, which may materially and adversely affect our business, prospects, financial condition and results of operations.

***20. We may face difficulties in protecting our domain names and trademarks. Failure to protect our domain names and trademarks may hamper our brand building efforts and adversely affect our business.***

We have registered various domain names, including www.matrimony.com, www.bharatmatrimony.com, www.elitematrimony.com, www.communitymatrimony.com and www.matrimonydirectory.com, and have legal rights over the domain names and the sub-domain names for the period for which such domain names are registered. We conduct our business under each of the aforementioned brand name and logo, and have registered and applied in India for various trademarks derived from each of their individual brand names. However, we are yet to obtain trademark protection for a number of our marks, including "Matrimony.com", "EliteMatrimony" and "matrimony directory". For further details, see "*Government and Other Approvals—Intellectual Property related approvals*" on page 373 and "*Our Business—Intellectual Property*" on page 155.

We currently face, and may in the future continue to face, claims and legal actions by third parties that are using, or disputing our right to use, the domain names under which our websites or mobile sites currently operate. We may also face the problem of competing websites using domain names that are similar to ours, which may create confusion for people wishing to access our websites, mobile sites or mobile apps and hamper our efforts at brand-building. We have in the past resorted to, and may in the future be required to resort to, similar legal actions to protect our branding and reputation if the need arises. For example, we have filed lawsuits against parties who unlawfully used our domain name or used a domain name that is deceptively similar to our domain and brand name. In 2008, our Company filed a civil suit against Bharatmatrimony.net seeking injunction restraining the defendant from using letterheads, exhibits or any statutory material containing certain trademarks, including Bharatmatrimony, or infringing upon our Company's trademarks by using them as part of its domain name, trademarks, website, email or trading style in a visually, phonetically or deceptively similar way. Further, our Company sought temporary injunction against the defendant from passing off its websites as our Company's website pending the disposal of the suit. In addition, in 2009, through our Promoter, we filed a civil suit against Google India Private Limited ("**Google**") and certain other parties alleging inducement and diversion caused by Google by showing links to webpages of certain of our competitors in the sponsored links section of Google search services. We have further alleged, in this suit, that Google has been instrumental in inducing the passing off of our services by certain competitors and other entities, and sought a permanent injunction restraining Google and the other defendants from infringing, directly or indirectly, upon the trademarks and services registered and provided by us, along with damages. These matters are pending as on the date of this Draft Red Herring Prospectus. For further details, see the section titled "*Outstanding Litigation and Material Developments*" on page 362. If the outcome of any such complaints or legal proceedings is adverse to us, we may not be able to adequately protect our brand and reputation, which could have a material adverse effect on our business operations.

The acquisition and maintenance of domain names are generally regulated by Internet regulatory and administrative bodies, which may modify their regulatory policies and the requirements for the holding of domain names. We may, therefore, be unable to obtain or maintain relevant domain names in all countries in which we have, or propose to undertake, business operations. We may also face additional difficulties in expanding into any other country and may have to expend considerable time and other resources to obtain domain name registration in such countries. Any delay in acquiring our preferred domain names may provide our competitors the opportunity to obtain such domain names. Therefore, we may be unable to prevent third party competitors from acquiring domain names that are similar to, infringe upon, pass off or otherwise decrease the value of, our trademarks and other proprietary rights. We cannot assure you that our business strategy of creating a strong brand and reputation will be successful if we are unable to protect our domain names and trademarks and any such failure may have an adverse effect on our business, prospects, financial condition and results of operations.

***21. We may be unable to protect our logos, brand names and other intellectual property rights which are critical to our business.***

Our logos, brand names and other intellectual property rights are crucial to our business operations. Although we have incurred and expect to continue to incur substantial expenditure in promoting our logos and brand names, we do not have the intellectual property rights to some of the logos and brand names.

Our Company has not made an application for and consequently does not own trademark registrations for certain logos used in our business including our corporate logo "matrimony.com" (matrimony.com) and our brand logo (bharat matrimony for happy marriages). Further, our Company has made trademark applications for but has not yet received trademark registrations for certain logos used in our business including the "Bharat Matrimony" logo.

We may not be able to prohibit the use of such intellectual property by any third party and may, in the future, face claims and legal actions by third parties that may use, or dispute our right to use, the logos and brand names under which our business currently operates and we may be required to resort to legal action to protect our logos and brand names. Any adverse outcome in such legal proceedings may impact our ability to use our logos, brand names and other intellectual property in the manner in which such intellectual property is currently used or at all. Further, such adverse outcome may require us to incur significant additional expenditure to develop new logos or brand names. There can be no assurance that we will be able to promote and popularize such new logos or brand names to levels which are similar to our current brands or at all. Any of the above could have a material adverse effect on our business and our financial condition.

***22. We may in the future be exposed to infringement claims by third parties that, if determined adversely against us, could cause significant and material damage to our business.***

We may in the future be subject to intellectual property claims against us. We cannot assure that we will be able to withstand any third party claims and, regardless of the merits of the claim, such claims may be expensive and time-consuming to litigate or settle, and could significantly divert our efforts and resources. Such claims may involve complex legal and factual questions and analysis, and we may be injuncted from continuing our affected business operations or the provision of our products and services during the intervening period when the outcome is pending. In addition, in the event of an adverse outcome in any such claims, we may be liable to pay substantial monetary damages, discontinue any products or services or practices which may infringe or violate the intellectual property which is the subject of the claim, and our brand and reputation could suffer as a result. We may also require licenses to continue such practices or have to redesign our products and services, which may significantly increase our operating expenses, and may not be cost-effective or based on commercially acceptable terms. Our failure to obtain such license of the rights to continue our business practices on a timely basis or at all could prevent us from providing our products and services and adversely affect our business operations.

***23. We and our Promoter have, in the past, failed to comply with reporting requirements in respect of ours and our Promoter's overseas direct investments and delayed in some of our reporting obligations in respect of our issuance of equity shares and compulsorily convertible preference shares to our non-resident shareholders.***

We have, in the past, failed to comply with certain reporting requirements in respect of our overseas direct investments in some of our current and former subsidiaries, in terms of the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, as amended ("**FEMA ODI Regulations**"). In particular, we failed to (i) file Form ODI with the RBI for acquisition of shares of Consim Direct Inc. Nevis ("**CDI**"), Consim Info USA Inc. ("**Consim USA**") and ConsimDirect Holdings Cyprus Limited ("**Consim Cyprus**"); (ii) obtain a Unique Identification Number ("**UIN**") and registration numbers subsequent to and confirming our acquisition of Equity Shares in CDI, Consim USA, Consim Cyprus, Bharat Matrimony LLC, Match International Inc., USA ("**MII**") and Infonauts; (iii) file annual performance reports to the RBI for all of the aforementioned entities; and (iv) report the dissolution of MII (in 2010), CDI (in 2012) and Consim Cyprus (in 2014) and divestment of our shareholding in Infonauts (in 2013) to the RBI. In relation to the above, we have made the requisite filings, such as Form ODIs with the RBI and annual performance reports ("**APRs**") and divestment/ dissolution reports with the respective authorised dealer banks, as the case may be, in respect of each of the abovementioned entities.

In addition, we were delayed in some of our reporting obligations in respect of issuance of our equity shares and compulsorily convertible preference shares to our non-resident shareholders under the Foreign Exchange Management (Transfer or Issue of Security to a Person Resident Outside India) Regulations, 2000, as amended ("**FEMA Regulations**"). In particular, (i) we were delayed in filing details of foreign inward remittance received by us in respect of inward remittance received as share application money from, and the allotment of compulsorily convertible preference shares and equity shares to certain non-resident shareholders on January 25, 2008 and December 30, 2014, respectively; and (ii) we were delayed in filing Form FC-GPR with the RBI in respect of compulsorily convertible preference shares and equity shares allotted by us to certain non-resident shareholders on January 25, 2008 and January 10, 2012. We have filed an application on May 27, 2015 with the RBI for compounding of these offences pursuant to contravention of the FEMA Regulations ("**Compounding Application**"). The RBI passed an order dated November 6, 2015, compounding the violations and levying a penalty of ₹ 0.82 million and the Compounding Application was accordingly disposed of. Our Company has paid this penalty to the RBI.

Further, our Promoter failed to (i) file Form ODI, obtain UIN and file APRs with the RBI in relation to his overseas direct investment in Consim Direct Mauritius Limited ("**Consim Mauritius**"), India Property Online Holding Limited ("**IPOHL**") and Infonauts (in which our Promoter acquired full shareholding with effect from March 31, 2013); and (ii) report the dissolution of IPOHL (in 2013) to the RBI. In relation to these three companies, our Promoter had filed Form ODIs with the RBI and sought issuance of UINs. In August 2016, our Company received a letter from the RBI to declare such entities as subsidiaries or step-down subsidiaries. Subsequently, we and our Promoter have received letters dated October 5, 2016 from the RBI, stating, *inter alia*, that (a) the remittance for setting up of Consim Mauritius and IPOHL (made by our Company and Consim USA on behalf of our Promoter) were not made in terms of permitted modes of remittances, and (b) the non-filing of Form ODIs and APRs, non-receipt of share certificates (for both companies) and non-reporting of the dissolution of IPOHL were not in compliance with the FEMA ODI Regulations. In this letter, the RBI further stated that applications for compounding of these contraventions could be submitted. Accordingly, we and our Promoter filed applications on November 1, 2016 with the RBI for compounding of these contraventions of the FEMA ODI Regulations. These applications were returned by the RBI by letters dated March 31, 2017 stating that administrative actions on matters relating to the applications had not been completed, further directing us to file fresh compounding applications after completion of such actions. Subsequently, we and our Promoter have re-filed compounding applications on May 3, 2017, stating (in addition to the averments in the original applications) that the amounts remitted by us and Consim USA on behalf of our Promoter for setting up of IPOHL and Consim Mauritius were subsequently returned by our Promoter in April 2017 and May 2017, respectively.

In respect of Infonauts, after being informed by the AD bank through which Form ODI was originally filed, our Promoter re-filed Form ODI with the RBI through IDBI Bank which was subsequently forwarded to the RBI by IDBI Bank in March 2017. Subsequently, our Company has filed a compounding application with the RBI on May 3, 2017 , *inter alia,* for compounding (a) transfer of Infonaut's shares from us to our Promoter without receipt of a UIN; (b) failure to submit a valuation report for divestment of Infonaut's shares by our Company within prescribed timelines; (c) the consideration for transfer of Infonaut's shares being lower than their fair value as per valuation report; and (d) failure to file an APR and report our divestment of Infonaut's shares within prescribed timelines. Our Promoter has also filed a compounding application with the RBI on May 3, 2017, *inter alia* for compounding (a) acquisition of Infonaut's shares from us before receipt of a UIN; (b) failure to file form ODA, obtain a UIN, receive share certificates within prescribed timelines, submit annual performance report after acquisition of Infonaut's shares from us; and (c) acquisition of Infonaut's shares for consideration lesser than the valuation price as per the valuation report. We cannot assure you that these contraventions will be compounded by RBI in a timely manner or at all.

Although we believe that we have taken necessary corrective measures to ensure such non-compliances do not occur in the future, there can be no assurance that we will not be subject to regulatory actions including imposition of fines and other penalties in respect of the past non-compliances. Accordingly, we and our Promoter, could, in respect of such contraventions, be subject to adjudication and liable for a penalty which could extend up to thrice the sum involved in such contravention and a further penalty of up to five thousand rupees for every day after the first day during which the contravention continues.

24. ***We may not be able to raise additional funds to implement our business strategy successfully in a timely and cost efficient manner, on commercially acceptable terms, or at all.***

We may need to raise additional funds to implement our business strategy successfully, such as expanding our sales and marketing operations to increase productivity, undertaking marketing and brand-building initiatives, developing new technology, upgrading current network and infrastructure systems, investing in our mobile platform and developing new and expand current products and services to generate demand. We cannot assure you that we would be able to raise funds in a timely and cost efficient manner, on commercially acceptable terms, or at all. Our inability to raise additional funds may impair our ability to effectively implement our business strategy. If we cannot obtain the required funds on acceptable terms or at all, we may be forced to curtail some or all of these expansion plans, which may impair our business growth and results of operations.

25. ***If we are unable to adequately address the financial, operational, network and system infrastructure and human resources challenges of managing a rapidly growing business it may have a negative impact on our ability to implement our strategic initiatives.***

We have experienced significant growth in member base over the past several years, with 26.75 million free profiles registered on our database from January 2006 to March 31, 2017, according to the Key Business Metrics Report, and expect our business to continue to grow if we are successful in implementing our key strategic initiatives. The growth of our business has required the significant attention of our management and expenditure of other resources and will likely continue to strain our finances, network and system infrastructure and personnel. In order to properly manage this planned growth, we must continuously improve our operational and financial systems, expand our network and system infrastructure, retain and hire qualified personnel, and enhance the effectiveness of our financial control and procedures. If we are unable to manage this planned growth, it may prevent us from providing attractive and reliable services to customers or efficiently processing transactions on our online marketplaces, due to, for example, unplanned network and system shutdowns or inadequate levels of customer service, which could negatively impact our brand name and reputation and may result in us not being able to attract and retain members. As a result, we may not achieve our desired growth in member base or conversion of free members to paid members, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

26. ***Some of our products or services have only been recently introduced and, as a result, it may be difficult to evaluate their performance and prospects.***

Some of the products and services offered by us were introduced recently, such as MatrimonyPhotography.com, MatrimonyBazaar.com and MatrimonyMandaps.com as well as our Classic Premium subscription package which offers certain additional features that are not included in our other Classic subscription packages, our "Till-U-Marry" subscription package which offers certain features not included in our "Classic" line of packages, and our twin pack combination package which offers access to both our BharatMatrimony.com and CommunityMatrimony.com database. For further details, see "*Our Business*" on page 138. As a result, these products and services have a limited operating history and it may be difficult to evaluate their performance and prospects.

We have invested time and other resources and incurred expenses towards the introduction of these new products and services. In the event that these new products or services do not perform well, we may lose our entire investment in these products and services, which may result in a material adverse effect on our business, prospects, financial condition and results of operations.

***27. Future strategic alliances may have a material and adverse effect on our business, reputation and results of operations and future strategic acquisitions may prove difficult to integrate and manage or may not be successful.***

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to numerous risks, including risks associated with sharing proprietary information, non-performance of obligations by the strategic partner, the strategic partner creating similar alliances with our competitors and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may not be able to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our brand name and reputation by virtue of our association with such third parties.

We may in the future also undertake strategic acquisitions of other Internet-based businesses and companies whose resources, capabilities and strategies are complementary to and likely to enhance our business operations in the different geographical regions in which we operate. If we acquire another company we could face difficulties integrating the acquired operations. In addition, the key personnel of the acquired company could decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such an acquisition or operational integration or our targeted or any acceptable return on such an investment.

***28. Our ability to attract, train and retain executives and other qualified employees is critical to our business, prospects, results of operations and future growth.***

Our business and future growth is substantially dependent on the continued services and performance of our key executives, senior management and skilled personnel, especially personnel with experience in our industry and our information technology and systems. Some of our key managerial employees have left our employment in the recent past. For instance, between June 2016 and April 2017, some of our key management personnel, namely, Mr. S. Parameshwar, former CFO, Ms. Sunitha Lal, former chief HR officer, Mr. Jayarakam K. Iyer, former chief strategy office, Venkateshwarlu Sonathi, vice president of data sciences and Sangeeta Malkhede, vice president and head, human resources; have resigned from our Company. If any of our other key personnel cease to work with us and we are unable to find suitable replacement personnel in a timely and cost efficient manner, our business may be disrupted and we may not be able to achieve our business objectives, including our ability to manage our growth and successfully implement our strategic initiatives.

In particular, we are dependent on our Promoter and Managing Director, Mr. Murugavel Janakiraman, for his leadership, vision and overall business direction and strategies. We believe that if we were to lose the services of Mr. Murugavel Janakiraman, who has been with us since inception and who has been instrumental in our ability to achieve significant growth in member base over the past several years, it would have a material adverse effect on our business. Further, we do not have keyman insurance for Mr. Murugavel Janakiraman and will not receive compensation if he leaves our Company. Any members of our senior management may also choose to terminate their employment with us at any time and join our competitors. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all.

Competition for qualified personnel in the areas in which we compete remains intense and the pool of qualified candidates is limited. The specialized skills we require can be difficult and time-consuming to acquire and/or develop and, as a result, such skilled personnel are often in short supply. We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. In addition, we will need to hire more employees as we continue to implement our key strategy of building on our leading market position and expanding our business. Our ability to compete effectively depends on our ability to attract new employees and to retain and motivate our existing employees. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we do not succeed in attracting well-qualified employees or retaining or motivating existing employees such that there is a drop in employee productivity, our business and prospects for growth could be adversely affected.

In addition, while our employment agreements with our mid and senior level employees typically include provisions that restrict them from controlling, providing consultancy to or being employed by any business similar to ours, either by soliciting our customers or by operating within in our line of service for a period of one year from the end of their employment with us, we may be unable to enforce such arrangements since agreements in restraint of trade (with the exception of agreements relating to the sale of goodwill) are void under the Indian Contract Act, 1872. If we are unable to enforce such clauses, employees who leave us may seek employment with our competitors, which may reduce our market share, and adversely affect our ability to compete effectively.

***29. Wage pressures in India may impact our business and reduce our profit margins.***

Employee benefits represent our largest expense and our ability to maintain or reduce the percentage of such expenses is critical for our business operations. Employee benefits expense constituted 47.07%, 50.46% and 49.88% of our consolidated total expenses in fiscal 2015, fiscal 2016 and fiscal 2017, respectively, largely due to the expansion of our management team even though our Company's employee headcount decreased from 4,106 employees (based on the payroll register of the Standalone Company as of March 20, 2015, the 20th of each month being the cut-off date for our payroll processing) to 3,955 employees (based on the payroll register of the Standalone Company as of March 25, 2017, the 25th of each month being the revised cut-off date for our payroll processing).

We may need to increase the levels of our employee compensation to remain competitive and manage attrition. Any further increase in wages paid to our employees may result in a material adverse effect on our profits in the event that we are unable to pass on such increased expenditure to the price of our products and services, without losing the business to our competitors. Likewise, if we are unable to sustain or increase the number of employees as necessary to meet growing demand, our business, prospects, financial condition and results of operations could be adversely affected.

***30. Our Promoter and Promoter Group may exercise significant control over us and our Promoter currently has, and may in the future continue to have, interests in other non-competing businesses.***

Our Promoter and Promoter Group currently beneficially own approximately 55.97% of our outstanding Equity Shares on a fully diluted basis. After the completion of this offering, our Promoter and Promoter Group will beneficially own approximately [●]% of our outstanding Equity Shares. For further details, see "*Our Promoter and Promoter Group*" on page 193. As 55.97% shareholders of our Equity Shares, our Promoter and Promoter Group will have the ability to exercise control over us and certain matters which include election of directors, our business strategy and policies, timing and distribution of dividends and approval of significant corporate transactions such as sales and business combinations and change of control transactions. The extent of their shareholding in us may also delay, prevent or deter a change in control, even if such a transaction is beneficial to our other shareholders. It may deprive our other shareholders of an opportunity to receive a premium for their Equity Shares as part of a sale of our Company and may reduce the price of our Equity Shares. The interests of our Promoter and Promoter Group as our controlling shareholders as well as our other significant shareholders could also conflict with our interest or the interests of our other shareholders. We cannot assure you that our Promoter and Promoter Group and other significant shareholders will act to resolve any conflicts of interest in our favor, and they may take actions that are not in our best interest or that of our other shareholders. These actions may be taken even if they are opposed by our other shareholders, including those who have purchased Equity Shares in this Offer.

In addition, our Promoter, who is also part of our management, currently has, and may in the future continue to have, interests in other non-competing businesses. For more information, see "*Our Promoter and Promoter Group*" on page 193. As a result, our Promoter may not be solely focused on our business and may be distracted by, or have conflicts as a result of the demands of such other non-competing businesses, which may materially and adversely affect our business, prospects, results of operations and financial condition.

***31. We have entered into, and will continue to enter into, related party transactions which may involve conflicts of interest.***

We have entered into, and will continue to enter into, transactions with several related parties, including loans and advances made by us to IPOPL and Infonauts, bonus issuances of Equity Shares to our shareholders, expenses made by us on behalf of IPOPL, our purchase of redeemable preference shares in IPOPL, our transfer of assets to IPOPL in fiscal 2013 and fiscal 2014. For more information regarding our related party transactions, see the section titled "*Related Party Transactions*" on page 200. While, in our view, all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis and going forward, all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that our any future related party transactions that we may enter into will not, individually or in the aggregate, have an adverse effect on our business, prospects, financial condition, results of operations and prospects.

***32. Breach of our contract with our third party vendors, suppliers and/or service providers may adversely affect our business, prospects, financial condition and results of operations.***

We depend upon third party vendors, suppliers and/or service providers to provide us with hardware and software required for the development and provision of products and services to our members such as in the case of MatrimonyBazaar.com and MatrimonyMandaps.com. In addition, we also rely, from time to time, on third parties for certain of our doorstep payment collection initiatives. We also engage independent photographers and videographers to register with MatrimonyPhotrography.com to provide their services to our clients. We may be liable to these vendors and third party suppliers if we are held to be in breach of our contracts with them, which could result in a claim against us for damages. This could have a material adverse effect on our business, prospects, financial condition and results of operations. Although we maintain commercial liability insurance coverage, we cannot assure that the terms and coverage of such insurance would be applicable or sufficient to cover the claims raised against us in this regard.

Further, in the event that these vendors or third party suppliers do not fulfill their obligations to us or to our customers under the contract or breach any other terms therein, we may not be able to enforce such obligations or succeed in a claim against them for damages, which could affect our business, reputation and financial condition. In addition, we cannot assure you that we will be able to find suitable replacements in a timely manner, if at all. We also cannot assure you that any such damages payable would be adequate compensation for our losses. The continuity and quality of our business operations may be adversely affected, which may result in a material adverse effect on our business, prospects, financial condition and results of operations.

***33. Our insurance coverage may be inadequate to satisfy future claims against us.***

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including master policies covering electronic equipment, machinery breakdown, petty cash, all risks and fires and perils, commercial liability insurance, group medi-claim insurance and group term insurance for our employees. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. In addition, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Further, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses, we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business, prospects, financial condition and results of operations.

***34. We, our Promoter, Subsidiaries and Directors are party to certain legal proceedings that, if decided against us or our Promoter, Subsidiaries and Directors could have a material adverse effect on our reputation, business, prospects, financial condition and results of operations.***

Our Company, our Promoter, Subsidiaries and Directors are involved in legal proceedings including criminal proceedings and civil proceedings. These proceedings are pending at different levels of adjudication before various courts. A summary of the litigation involving our Company, Promoter, Subsidiaries and Directors is set out below. The amounts involved in these proceedings have been summarized to the extent ascertainable and quantifiable.

***Litigation against our Company***

| Nature of the cases | No. of cases outstanding | Amount involved (in ₹ million) |
|---|---|---|

| Nature of the cases | No. of cases outstanding | Amount involved (in ₹ million) |
|---|---|---|
| Criminal proceedings | 2 | 2.43 |
| Material civil proceedings | 1 | Nil |
| Service tax matters | 5 | 46.15 |
| Income tax matters | 15 | 210.63 |
| Action by statutory and regulatory authorities | 3 | 16.29 |
| Compounding of offences | 3 | - |
| **Total** | 29 | 275.5 |

***Litigation initiated by our Company***

| Nature of the cases | No. of cases outstanding | Amount involved (in ₹ million) |
|---|---|---|
| Criminal proceedings | 1 | 0.08 |
| Material civil proceedings | 6 | 2.01 |
| **Total** | 7 | 2.09 |

***Litigation against our Subsidiaries***

***CMPL***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| Income Tax Notices | 3 | 0.001 |
| **Total** | 3 | 0.001 |

***SIPL***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| Income Tax Proceedings | 1 | Nil |
| **Total** | 1 | Nil |

***TOMPL***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| Income Tax Notices | 1 | 0.006 |
| **Total** | 1 | 0.006 |

***Litigation involving our Directors:***

***Murugavel Janakiraman***

| Nature of the cases | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| Income Tax Matters | 3 | 0.2 |
| Criminal Proceedings | 1 | Nil |
| Action by statutory and regulatory authorities | 2 | Nil |
| Material civil proceedings | 1 | 1.01 |
| Compounding of offences | 3 | - |
| **Total** | 10 | 1.21 |

***Chinni Krishnan Ranganathan***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| Income Tax Matters | 7 | 67.94 |
| **Total** | 7 | 67.94 |

***George Zacharias***

| Nature of the cases | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| Action by statutory and regulatory authorities | 3 | Nil |
| **Total** | 3 | Nil |

***Litigation involving our Promoter:***

***Murugavel Janakiraman***

| Nature of the cases | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| Income Tax Matters | 3 | 0.2 |
| Criminal Proceedings | 1 | Nil |
| Action by statutory and regulatory authorities | 2 | Nil |
| Material civil proceedings | 1 | 1.01 |
| Compounding of offences | 3 | - |
| **Total** | 10 | 1.21 |

In addition, our Company, our Directors and our Promoter have received certain legal notices including income tax notices and labour notices. For further details on these proceedings, see "*Outstanding Litigation and Material Developments*" on page 362. While we believe that none of these legal proceedings may potentially affect our business, we cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a material adverse effect on our reputation, business, prospects, financial condition, results of operations and cash flows.

***35. Our Group Companies have incurred losses in the recent past.***

Our Group Companies have incurred losses in fiscal 2014, fiscal 2015 and fiscal 2016, as set forth in the table below:

| Name of Group Company | Fiscal 2016 | Fiscal 2015 | Fiscal 2014 |
|---|---|---|---|
| | (₹ million) | | |
| India Property Online Private Limited | (415.97) | (479.46) | (287.00) |
| Infonauts Inc | 0.04 | (0.13) | (0.16) |

There is no assurance that these or any of our other Group Companies will not incur losses in future periods or that there will not be an adverse effect on our Company's reputation or business as a result of such losses.

***36. We do not own our registered and corporate office and our other offices.***

At present, we neither own the premises that we use as our registered and corporate office nor the premises that we use for our other offices, all of which have been taken on lease by us. If the terms of the lease are violated by any of the parties thereto or if we are unable to renew the leases prior to the expiry of the term thereat, our operations may be adversely affected. Further, the lease agreements in respect of certain of our branch offices have not been registered. Consequently, we may not be able to enforce these leases, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition. For more information, see "*Our Business—Properties*" on page 155.

Further, the lessor of the building which houses our registered and corporate office has received a notice dated July 21, 2011 from the Chennai Metropolitan Development Authority ("**CMDA**") alleging that certain constructions in the building, including the 10th floor where our registered office is situated, had been made in contravention of the planning permission issued by the CMDA in terms of the Town and Country Planning Act, 1971, as amended. The notice also called upon our lessor to discontinue usage of these premises, remove the additional built-up area and restore the building to the dimensions approved in the original building plan. In the event that our lessor is unable to provide a satisfactory explanation to the contents of the notice to the CMDA, and the matter is not resolved to the satisfaction of the CMDA, we may have to vacate these premises, which could adversely affect our business operations.

***37. Fluctuations in currency exchange rates may have an adverse impact on our business, prospects, financial condition and results of operation.***

Our exposure to foreign currency risk arises in respect of our non-Indian Rupee-denominated trade and other receivables, trade payables, and cash and cash equivalents. While our presentation and functional currency is the Indian Rupee, we have certain loans and advances, trade receivables, trade payables and other long-term liabilities denominated in U.S. dollar and United Arab Emirates dirham. Any fluctuation in the value of the Indian Rupee against the U.S. dollar or the United Arab Emirate dirham will affect our results of operations. For example, the effect of exchange differences on cash and cash equivalents held in foreign currency was ₹ 1.79 million, ₹ 2.84 million and ₹ 1.81 million in fiscal 2014, fiscal 2015 and fiscal 2016, respectively, as compared with ₹ 0.17 million in fiscal 2013. Further, we currently do not use any foreign exchange hedging contracts to manage our exchange rate risk. Although we may, in the future, enter into such foreign exchange hedging contracts, we cannot assure you that such hedges will be available or commercially viable or effective to hedge our exposure to foreign currency risks. If the Indian Rupee further depreciates against the U.S. dollar or United Arab Emirates dirham, this may have an adverse impact on our business, prospects, financial condition and results of operation.

***38. We may not achieve the desired benefit from the demerger of our property listing and advisory services business to India Property Online Private Limited.***

In fiscal 2013, we demerged our property listing and advisory services business (the "**Demerged Undertaking**") to IPOPL through a scheme of arrangement which was approved by the High Court of Madras on February 15, 2013 and registered with the Registrar of Companies on March 1, 2013. The Demerged Undertaking, with a book value of net asset of ₹ 4.23 million as of March 31, 2012, was transferred to, and vested in, IPOPL, in the demerger with effect from April 1, 2012. The book value of net asset of the Demerged Undertaking was adjusted against our securities premium account in accordance with the provision of the scheme. For further details, see Note 9 to our Restated Consolidated Summary Statements on page 229 and the section entitled "*History and Certain Corporate Matters—Major Events and Milestones—Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets—Scheme of arrangement and demerger between our Company, India Property Online Private Limited and their respective shareholders and creditors*" on page 166.

Whilst the demerger has been undertaken to streamline our business operations and that of IPOPL as well as to increase our focus on our core business, there is no assurance that we will be able to achieve the desired benefit from the demerger.

***39. Certain documents in relation to an allotment of Equity Shares made by us and in relation to certain pending legal proceedings involving our Company are not traceable. In addition, we have incorrectly recorded and reported the date of one of our Equity Share allotments.***

We have been unable to trace copies of the return of allotment (Form 2) filed by us with the RoC pursuant to the allotment of Equity Shares to our Promoter, Mr. Murugavel Janakiraman, on July 17, 2006. While we believe that this form was duly filed on a timely basis, we have not been able to obtain copies of this document, including from the RoC, and have placed reliance on other documents, including board resolutions and their agenda for allotment of the Equity Shares for disclosure in this Draft Red Herring Prospectus. In addition, we incorrectly recorded (in our minutes), and reported (in the return of allotment filed with the RoC) September 26, 2011 as the date of an allotment of 87,832 Equity Shares made to Yahoo! Netherlands BV (upon conversion of 87,832 optionally convertible preference shares) which was effected on September 28, 2011 as per the Shareholders' Agreement, on account of an inadvertent error.

In addition, we have been unable to locate acknowledged and final copies of certain criminal complaints filed by us against various persons in relation to, among other offences, data theft. We are unaware of the current status of these complaints. Further, we are unable to trace the current status of certain legal proceedings initiated by certain customers of our Company. Disclosure in relation to the current status of the proceedings has been made based on internal records maintained by our Company. For further details, see the section titled "*Outstanding Litigation and Material Developments—Litigation involving our Company*" on page 362.

We cannot assure you that the abovementioned form filing and records of complaints will be available in the future or that we will be able to file a rectified form in respect of the allotment of Equity Shares on September 28, 2011 or that we will not be subject to any penalty imposed by the competent regulatory authorities in this respect.

***40. This Draft Red Herring Prospectus contains information from an industry report which was prepared by KPMG pursuant to an engagement with the Company.***

The sections titled "Risk Factors", " Summary of Industry", "Summary of Business", "Industry Overview", "Our Business", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 17, 47, 54, 126, 138 and 337 of this Draft Red Herring Prospectus includes information that is derived from the industry report dated May 4, 2017 entitled "*Market Study of Online Matrimony & Marriage Services in India*" ("**KPMG Report**") prepared by KPMG, an independent management consultant, pursuant to an engagement with the Company. The KPMG Report was prepared by KPMG for the purpose of confirming our understanding of the matchmaking industry and the marriage services industry in India. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the KPMG Report. KPMG has advised that while it has obtained from the public domain or external sources ("**Information**"), as far as possible, from sources generally considered to be reliable, *inter alia*, from the IAMAI, it does not guarantee the accuracy, adequacy or completeness of Information and is not responsible for any errors or omissions in the Information or for the results obtained from the use of such Information. The KPMG Report highlights certain industry and market data. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that KPMG's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the KPMG Report is not a recommendation to invest/disinvest in the Company. KPMG states that it disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers / users / transmitters / distributors in the Offer who uses or relies upon the KPMG Report or extracts therefrom. Prospective investors are advised not to unduly rely on the KPMG Report when making their investment decisions.

***41. The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions. Further, the deployment of the Net Proceeds is at the discretion of our Company.***

The objects of the Fresh Issue, as detailed have not been appraised by any bank or financial institution. The estimate of costs is based on quotations received from vendors and consultants. Though these quotes or estimates have been taken recently, they are subject to change and may result in cost escalation. Any change or cost escalation can significantly increase the cost of the objects of the Fresh Issue.

***42. Any delay in the schedule of implementation or inability to effect any of the objects of the Fresh Issue might have an adverse impact on our profitability.***

We intend to use the Net Proceeds of the Fresh Issue as set forth in the section titled "*Objects of the Offer*" on page 112. We intend to temporarily invest the Net Proceeds in the manner described in the section titled "*Objects of the Offer*" on page 112 until we decide to utilize such proceeds. Subject to policies established by our Board, we will have significant flexibility in the manner in which we invest these proceeds in the short term.

Our schedule of implementation for the objects of the Fresh Issue may be affected by various risks, including time and cost overruns as well as factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition and results of operations.

In particular, we propose to deploy a certain portion of the Net Proceeds from the Fresh Issue to purchase 1.64 acres of land in Perungudi, Chennai for development of office premises for utilization by our product development team. For further details, see the section titled "*Objects of the Offer*" on page 112. We have paid a one-time commitment fee of ₹ 10 million (funded from our internal accruals) as advance consideration for the purchase of the property. In terms of a memorandum of understanding that we have entered into with Alpump Limited ("**Alpump**"), the vendor of the land, the balance consideration is payable as mutually agreed by our Company and Alpump no later than July 31, 2017, or a mutually acceptable extended period, failing which, Alpump is entitled to retain up to 50% of the commitment fee. If we are unable to negotiate any further extension and are unable to pay the balance consideration amount for the purchase of the land by July 31, 2017, or any mutually acceptable extended period, we may not be able to locate and acquire alternative premises under similar commercial terms through the Net Proceeds of the Fresh Issue, which could result in delay in deployment the Net Proceeds of the Fresh Issue.

***43. Any variation in the utilization of the Net Proceeds as disclosed in the section titled "Objects of the Offer" of the Draft Red Herring Prospectus will be subject to certain compliance requirements including prior shareholders' approval.***

We intend to use the Net Proceeds of the Fresh Issue as set forth in the section titled "*Objects of the Offer*" on page 112. We currently cannot determine with certainty if we will need to use the Net Proceeds to fund any other expenditure or any exigencies arising from the competitive environment, business or economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation from the objects of the Fresh Issue without obtaining our shareholders' approval through a special resolution. In the event that it becomes necessary to deviate from the disclosed objects of the Fresh Issue, we may not be able to obtain our shareholders' approval in a timely manner or at all. Any delay in obtaining or inability to obtain such shareholders' approval may adversely affect our business or operations.

Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the Objects of the Offer at a price and in a manner that may be prescribed by SEBI. SEBI has not yet prescribed any regulations in this regard and such regulations may contain onerous obligations. In addition, the requirement that our Promoter or controlling shareholders provide an exit opportunity to such dissenting shareholders may deter our Promoter or controlling shareholders from agreeing to any variation of the proposed utilization of the Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoter or controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

In light of these factors, we may not be able to undertake any variation of objects of the Fresh Issue to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business, financial condition and results of operations.

***44. We have incurred losses in fiscal years 2016, 2015 and 2014, and in the event that we incur losses in future periods, our results of operations may be adversely affected.***

We sustained restated consolidated losses of ₹91.59 million, ₹ 29.29 million and ₹ 750.69 million in fiscal 2014, fiscal 2015 and fiscal 2016 respectively. Our losses in fiscal 2014, fiscal 2015 and fiscal 2016 have primarily resulted from the impact of exceptional expenses incurred in defending our Company, our Promoter, our subsidiaries and certain of our investors in connection with the *Desai et al. v. Infonauts, Inc., et al.* litigation and in relation to the settlement of such litigation, which have negatively impacted, our net worth, results of operations and cash flow position. For further details, see the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 337.

We expect our costs to increase in future periods on account of our expenditure over various items, including to increase our brand awareness, increase the number of our subscribers, develop and improve our technology infrastructure and enhance our user experience. See also the risk factor titled "*Risk Factors—Our Restated Consolidated Summary Statements reflect that we had a negative net worth of ₹ 311.32 million as of March 31, 2017*" on page 19. These expenditures may not yield additional revenue as we anticipate or at all. If we are unable to achieve revenue growth that outpaces the growth of our expenses, we may not achieve profitability. If we incur losses in future periods, our cash positions and results of operation could be adversely affected.

***45. We have in the past set off accumulated book losses against the unutilized portion of our securities premium account.***

In fiscal 2014, we submitted a petition to the Honorable High Court of Judicature at Madras to set off our accumulated book losses as at March 31 2013 amounting to ₹ 925.40 million against the unutilized portion of our securities premium account as at March 31, 2013 in order to enable the Company to present a clean balance sheet by neutralizing and removing the accumulated book losses and to facilitate the declaration of dividends by the Company to its shareholders. The petition was approved by the Honorable High Court of Judicature at Madras on December 20, 2013, pursuant to which an amount of ₹ 925.40 million has been adjusted in our books against our securities premium account. Our Company has thereafter continued to incur book losses in fiscal 2014, fiscal 2015 and fiscal 2016 on account of certain exceptional item expenses but has started earning book profits in fiscal 2017. However, there can be no assurance that we will not sustain book losses in future periods which could, in turn, affect our financial position, net worth and ability to declare dividends.

***46. The examination report of our Statutory Auditors on our Financial Statements makes references to certain qualifications.***

In the examination report relating to our Restated Unconsolidated Summary Statements and our Restated Consolidated Summary Statements, our Statutory Auditors have made references to certain qualifications which they reported in the annexure to the audit reports pursuant to the Companies (Auditor's Report) Order, 2003, Companies (Auditor's Report) Order, 2015 and Companies (Auditor's Report) Order, 2016, as amended, and as applicable and in relation to reporting on specified banknotes pursuant to Rule 11(d) of the Companies (Audit and Auditors) Amendment Rules, 2017. One of the references made by our Statutory Auditor in such examination report is that for fiscal 2015, fiscal 2014 and fiscal 2013, the Company's accumulated losses as at the end of the relevant financial year were more than 50.0% of its net worth. For further details of the auditor's qualifications, see "Financial Statements" on page 202. Investors should consider these matters emphasized in evaluating our financial position, cash flows and results of operations.

**External Risk Factors**

***47. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial performance.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances briefly mentioned below, may adversely affect our business, prospects, financial condition, results of operations, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy.

Pursuant to the Constitution (One Hundred and First Amendment) Act, 2016, a national goods and services tax ("**GST**"), regime has been promulgated that will combine taxes and levies by the central and state governments into a unified rate structure. We are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this rationalized structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future amendments may affect the overall tax efficiency of any company operating in India, and may result in significant additional taxes becoming payable.

In November 2016, the Government of India demonetized certain high-value denominations of currency. Our business was marginally impacted for a limited period on account of such demonetization. We have subsequently reviewed the collection mechanism and introduced additional point of sale instruments to improve our collection process.

At present, no laws, regulations or policies have been adopted by the Government of India, through the TRAI or otherwise, to enforce non-discriminatory access to the Internet, commonly referred to as "net neutrality". In 2006, TRAI invited opinions regarding the regulation of net neutrality from various telecommunications industry bodies and stakeholders. In March 2015, TRAI released a consultation paper inviting comments on net neutrality and the regulation of "over the top" services, which include various applications and websites that consumers access over telecommunications networks. Any laws, regulations or policies that restrict, modify or increase the cost of access to our websites, mobile sites or mobile apps may adversely affect our business, financial condition and results of operations.

The impact of any or all of the above changes to Indian legislation on our business cannot be fully determined at this time. In addition, our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Such unfavorable changes could decrease demand for our services and products, increase costs and/or subject us to additional liabilities. For example, there may continue to be an increasing number of laws and regulations pertaining to the Internet and digital commerce, which may relate to liability for information retrieved from or transmitted over the Internet or mobile networks, user privacy, taxation and the quality of services provided through the Internet. Further, the growth and development of digital commerce may result in more stringent consumer protection laws that may impose additional burdens on Internet businesses generally. Any such changes could have an adverse effect on our business and financial performance.

***48. The applicable competition law regime in India may adversely affect our business, prospects, financial condition and results of operations.***

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having, or likely to have, an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees, are penalized under the Competition Act, it may have a material adverse effect on our business, prospects, financial condition and results of operations.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the Competition Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, prospects, financial condition and results of operations.

***49. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

***50. Changes in rules promulgated by the SEBI, the various Indian stock exchanges and changes in the interpretation or enforcement of existing law and rules relating to the stock markets or investment in securities may adversely impact our business.***

The securities industry in India is subject to extensive regulation. Our ability after listing of our Equity Shares to comply with all the applicable laws, rules, regulations and by-laws of the SEBI and the Indian stock exchanges is largely dependent on our internal compliance procedures, as well as our ability to attract and retain qualified compliance personnel. We could be subject to disciplinary or other actions in the future due to non compliance, which could have an adverse effect on our business, financial condition and operating results.

***51. Our Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for our Equity Shares. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations which are beyond our control, including:

- volatility in the Indian and global securities markets;
- our results of operations and performance;
- the state of the Indian economy, significant developments in the Indian economic liberalization and changes in Indian laws and regulations;
- the history of, and the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours; and
- general market sentiment regarding Internet companies, and online matrimonial companies in particular.

If you purchase Equity Shares in this Offer, you may not be able to resell your Equity Shares at or above the initial public offering price and, as a result, you may lose all or part of your investment.

***52. The Equity Shares may experience price and volume fluctuations.***

The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

***53. Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of our Equity Shares in the public market after the completion of this Offer, including by our Promoter or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoter and members of our Promoter Group currently hold an aggregate of 55.97% of our outstanding Equity Shares on a fully diluted basis. After the completion of the Offer, our Promoter will continue to hold [●]% of our outstanding Equity Shares. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoter or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

***54. Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.***

In the 12 months preceding the filing of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded. For more information, see "*Capital Structure—History of Share Capital of our Company*" on page 86.

**55.** ***The Price Band and the Offer Price will be determined based on various factors and may not be indicative of the market price of the Equity Shares after the Equity Shares are listed. Further, the market price of some securities listed pursuant to certain previous issues managed by the BRLMs appointed for the Offer is below their respective issue price.***

The Price Band and the Offer Price is determined based on various qualitative and quantitative factors and external factors including but not limited to assessment of market demand for the Equity Shares through the book-building process, market conditions, performance of listed peer group companies and domestic and international economic, legal and regulatory factors unrelated to our performance. For further details, please see the section entitled "*Basis for Offer Price*" on page 120. Further, the market price of some securities listed pursuant to certain previous issues managed by the BRLMs appointed for the Offer is trading below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures—Price information of past issues handled by the Managers*" on page 379. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

***56. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

Our Financial Statements included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our Financial Statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

***57. Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards. In addition, all income-tax assessees in India, including our Company, will be required to follow the Income Computation and Disclosure Standards.***

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("**IFRS**"). These "IFRS based / synchronised Accounting Standards" are referred to in India as the Indian Accounting Standards ("**Ind AS**"). The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the Ind AS and the timelines for their implementation. Accordingly our Company is required to prepare their financial statements for the accounting periods beginning on or after April 1, 2017 in accordance with Ind AS. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the accounting periods beginning on or after April 1, 2017 may not be comparable to our historical financial statements. Further, our Restated Financial Statements have been prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI Regulations. These statements have not been drawn up in accordance with Ind AS and they may be impacted if Ind AS were applied to them. In accordance with the SEBI circular dated March 31, 2016, no financial statements prepared in accordance with Ind AS have been included in this Draft Red Herring Prospectus.

There can be no assurance that the adoption of Ind AS will not affect our reported results of operations or cash flows. Further, we may be required to retroactively apply Ind AS to our historical financial statements, subject to certain exemptions, which may require us to adjust financial statements after March 31, 2017, once included. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of our Equity Shares and/or may lead to regulatory action and other legal consequences. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect our financial condition, results of operations and cash flows.

We have not attempted to quantify the impact of Ind AS on the financial information included in this Draft Red Herring Prospectus, nor have we provided a reconciliation of our financial statements to those under Ind AS. While we have conducted a preliminary review of the qualitative impact of Ind AS on our accounting policies, details of which are disclosed in the section titled "*Summary of significant differences between Indian GAAP and Ind AS*" on page 332, the full impact of the adoption of Ind AS cannot be ascertained.

Further, the Ministry of Finance has issued a notification dated March 31, 2015 notifying Income Computation and Disclosure Standards ("**ICDS**"), thereby creating a new framework for the computation of taxable income. The ICDS came into force with effect from April 1, 2015 and shall apply to the assessment year 2017-18 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations will have the effect of requiring taxable income to be recognised earlier, higher overall levels of taxation to apply or both. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for Minimum Alternate Tax.

The application and interpretation of the ICDS by assessing authorities may differ substantially from our interpretation, and such variations could lead to additional tax demands. It is also possible that the resultant computation of taxable income based on the ICDS and net income based on our Company's financial statements may be significantly different, and, if they differ, we may be required to recognise taxable income for tax purposes earlier and/or pay higher overall taxes, thus either negatively impacting our effective tax rates, or the amount of taxes paid out relative to the income reported by the relevant accounting standards. This may lead to tax outflows happening in accounting periods earlier relative to the period when these incomes would get reported under the relevant accounting standards.

***58. There are no standard valuation methodologies or generally accepted accounting practices or standard of measure of the information technology and related industries.***

There are no standard valuation methodologies or generally accepted accounting practices or standard of measure of the information technology and related industries. Consequently, any comparison of our Company with other companies engaged in similar businesses may not provide investors with any meaningful information, comparisons or analysis. Current valuations may not be reflective of future valuations within the information technology industries as our business is not meaningfully comparable with businesses in these industries. Our investors may therefore not be able to accurately assess and measure the value of our business factoring in the effectiveness of our products and services, and our potential for growth.

***59. It may not be possible for you to enforce any judgment obtained outside India, including in the United States, against our Company or any of our directors and officers that are resident in India, except by way of a suit in India on such judgment.***

Our Company is incorporated under the laws of India and all of our directors (except for one) and executive officers reside in India. Furthermore, all of our Company's assets are located in India. As a result, you may be unable to:

- effect service of process in jurisdictions outside India, including in the United States, upon our Company; or

- enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the CPC. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the CPC as a decree of an Indian court.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the CPC. Section 13 of the CPC provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. The United Kingdom, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for purposes of Section 44A of the CPC.

Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

***60. Terrorist attacks, communal disturbances and regional conflicts in South Asia may have a material adverse effect on our business and on the market for securities in India.***

Terrorist attacks, whether in India or another country may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, prospects, financial condition and results of operations.

Some parts of India have experienced communal disturbances and riots during recent years. If such events recur, our business and financial condition may be adversely affected.

South Asia has, from time to time, experienced instances of civil unrest and hostilities between neighboring countries, such as between India and Pakistan. In the past, there have been military confrontations between India and Pakistan along the India-Pakistan border. Military activity or terrorist attacks in the future could adversely affect the Indian economy and the financial condition and results of operations of Indian companies, including us, which would have a material adverse effect on the market and valuation tor securities of such companies, including our Equity Shares.

***61. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact the trading price of our Equity Shares.***

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such pricing or reporting requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. In addition, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

***62. Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares. Although our offices are spread across 10 cities in India, a natural calamity in any of these cities could affect our operations to some extent. For example, the unprecedented floods in Chennai in December 2015 affected our operations and business as, *inter alia*, our employees were unable to commute to our offices in Chennai.

**Prominent Notes**

1. Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share, including a share premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,300 million by our Company and an Offer for Sale of up to 3,767,254 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders, comprising of an offer for sale of up to 1,461,006 Equity Shares by Bessemer India Capital Holdings II Ltd. aggregating up to ₹ [●] million, an offer for sale of up to 155,760 Equity Shares by Mayfield XII, Mauritius aggregating up to ₹ [●] million, an offer for sale of up to 1,683,207 Equity Shares by CMDB II aggregating up to ₹ [●] million, an offer for sale of up to 384,447 Equity Shares by the Promoter Selling Shareholder aggregating up to ₹ [●] million and an offer for sale of up to 82,834 Equity Shares by Indrani Janakiraman aggregating up to ₹ [●] million. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹ 5 million for subscription by Eligible Employees. The Offer and the Net Offer would constitute [●] % and [●] % of the post-Offer paid-up Equity Share capital of our Company. The Company and the Selling Shareholders in consultation with the Book Running Lead Managers, may offer a discount of ₹ [●] per Equity Share to the Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion.

2. The net worth of our Company was ₹ (11.82) million as of March 31, 2017 as per our Restated Unconsolidated Summary Statements. The net worth of our Company was ₹ (311.32) million as of March 31, 2017 as per our Restated Consolidated Summary Statements.

3. The net asset value per Equity Share was ₹ (0.56) and ₹ (14.67) as of March 31, 2017 as per our Restated Unconsolidated Summary Statements and Restated Consolidated Summary Statements, respectively.

4. The average cost of acquisition per Equity Share by our Promoter (who is also the Promoter Selling Shareholder) is ₹ 3.03*. For further details see "*Capital Structure- Build up of Promoters' equity shareholding in our Company*" on page 100. The average cost of acquisition of equity shares for the Selling Shareholders is as follows:

| S No. | Name of Selling Shareholder | Average cost of acquisition per Equity Share# |
|---|---|---|
| 1. | Bessemer India Capital Holdings II Ltd. | ₹ 307.96+ |
| 2. | Mayfield XII, Mauritius | ₹ 230.47+ |
| 3. | CMDB II | ₹ 931.67 |
| 4. | Indrani Janakiraman | ₹ 0.04* |

+ *Calculated on the basis of the price paid to the seller/our Company, as the case may be.*

[#] *Where transactions were in USD, exchange rate as on the date of the transaction have been considered for calculation of the average cost of acquisition*.

The average cost of acquisition per Equity Share by our Promoter and our Selling Shareholders has been calculated by taking the average of the amounts paid by them to acquire their respective Equity Shares.

[*] *The cost of acquisition of equity shares for Murugavel Janakiraman and Indrani Janakiraman has been arrived at before accounting for transfers by way of sale.*

5. There are no financing arrangements pursuant to which our Promoter Group, our Directors and/ or their relatives have financed the purchase of Equity Shares by any other person during the six months immediately preceding the date of the Draft Red Herring Prospectus with the SEBI.

6. Our Company has changed its name from Matrimony.com Private Limited to Matrimony.com Limited pursuant to the conversion of our Company from a private limited company to a public limited company and a fresh certificate of incorporation was issued by the RoC on January 2, 2015. For further details, please see "*History and Certain Corporate Matters-Amendments to our Memorandum of Association"* on page 162.

7. For details of changes in our registered office, see the section titled "*History and Certain Corporate Matters - Changes in the Registered Office of our Company*" on page 164.

8. Except as stated under the sections titled "*Our Group Companies*" and "*Related Party Transactions*" on page 196 and 200, respectively, none of our Group Companies have any business interests or other interests in our Company.

9. For details of the cumulative value of transactions entered into by our Company with our Group Companies or Subsidiaries as at March 31, 2017, please see "*Related Party Transactions"* on page 200.

10. Investors may contact any of the BRLMs, who have submitted the due diligence certificate to SEBI for any complaint pertaining to this Offer.

## SECTION III – INTRODUCTION

## SUMMARY OF INDUSTRY

*The information in this section is derived from reports of various governmental agencies, industry reports and other publicly available sources. This includes the information available on the websites of, in the reports or adapted from the reports of and/or from the databases of, United States Central Intelligence Agency "World Factbook" (the "**CIA Factbook**"); the Internet World Stats statistics available at http://www.internetworldstats.com; traffic share distribution from April 2014 to March 2017 for Matrimony.com, Jeevansathi and Shaadi.com matrimonials compiled by comScore, Inc. (the "**comScore Report**"); and the industry report dated May 4, 2017 entitled "Market Study of Online Matrimony & Marriage Services in India" (the "**KPMG Report**") prepared by KPMG, an independent management consultant, pursuant to an engagement with the Company. The KPMG Report contains disclaimers and scope limitations pertaining to the work performed by it, a summary of which is set out below. The KPMG Report should be referred to for the full text of the disclaimers and scope limitations.*

*The information contained in the KPMG Report is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on the information contained in the KPMG Report or any part thereof, without appropriate professional advice and due consideration. The KPMG Report reflects the position only as of the date of the KPMG Report, pursuant to an engagement letter between the Company and KPMG dated April 26, 2017, and KPMG does not undertake to update the information already contained in the KPMG Report. KPMG has subsequently consented to inclusion of extracts of the KPMG Report prepared by it in this Draft Red Herring Prospectus through its letter dated May 4, 2017. The KPMG Report does not attest the capabilities of our Company. The KPMG Report sets forth KPMG's views based on completeness and accuracy of the facts stated to it by the Company, and KPMG assumes no responsibility for the same. While performing the work, KPMG has assumed the genuineness of all signatures and the authenticity of all original documents in respect of the information received by it. It has not independently verified the correctness or authenticity of the same. KPMG has not performed an audit and does not express an opinion, or any other form of assurance. Further, comments in the KPMG Report are not intended, nor should they be interpreted to be legal advice or opinion. While information obtained from the public domain or external sources ("**Information**") has not been verified for authenticity, accuracy or completeness, KPMG has obtained Information, as far as possible, from sources generally considered to be reliable, inter alia, from the Internet and Mobile Association of India ("**IAMAI**"). KPMG does not guarantee the accuracy, adequacy or completeness of Information and is not responsible for any errors or omissions in the Information or for the results obtained from the use of such Information. The KPMG Report may make reference to "KPMG Analysis"; this indicates only that it has (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; KPMG does not accept responsibility for the veracity of underlying Information. KPMG's views are not binding on any person, entity, authority or court; hence, no assurance is given that a position contrary to the opinions expressed in the KPMG Report will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law. In accordance with its policy, KPMG disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers/users/transmitters/distributors in the Offer who uses or relies upon the KPMG Report or extracts therefrom. The KPMG Report cannot and do not make a recommendation to anyone for investment in the Company.*

*Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the section titled "Risk Factors" on page 17. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section titled "Risk Factors" on page 17.*

### Indian Demographics for Matchmaking and Marriages

India is one of the world's most populous countries with an estimated population of approximately 1.27 billion as of July 2016, which equates to 17.30% of the world population, according to the CIA Factbook.

Based on the KPMG Report, as of 2016, it is estimated that there were approximately 373 million individuals in India within the marriageable age bracket, being 18 to 35 years for females and 21 to 35 years for males, of whom 107 million were unmarried. Based on the KPMG Report, 59.00% of the unmarried population in India falls within the ages of 18 to 24 years, being the age group in which the majority of the Indian population gets married. In addition, approximately 40.00% and 60.00% of the 107 million unmarried individuals are located in urban and rural areas, respectively.

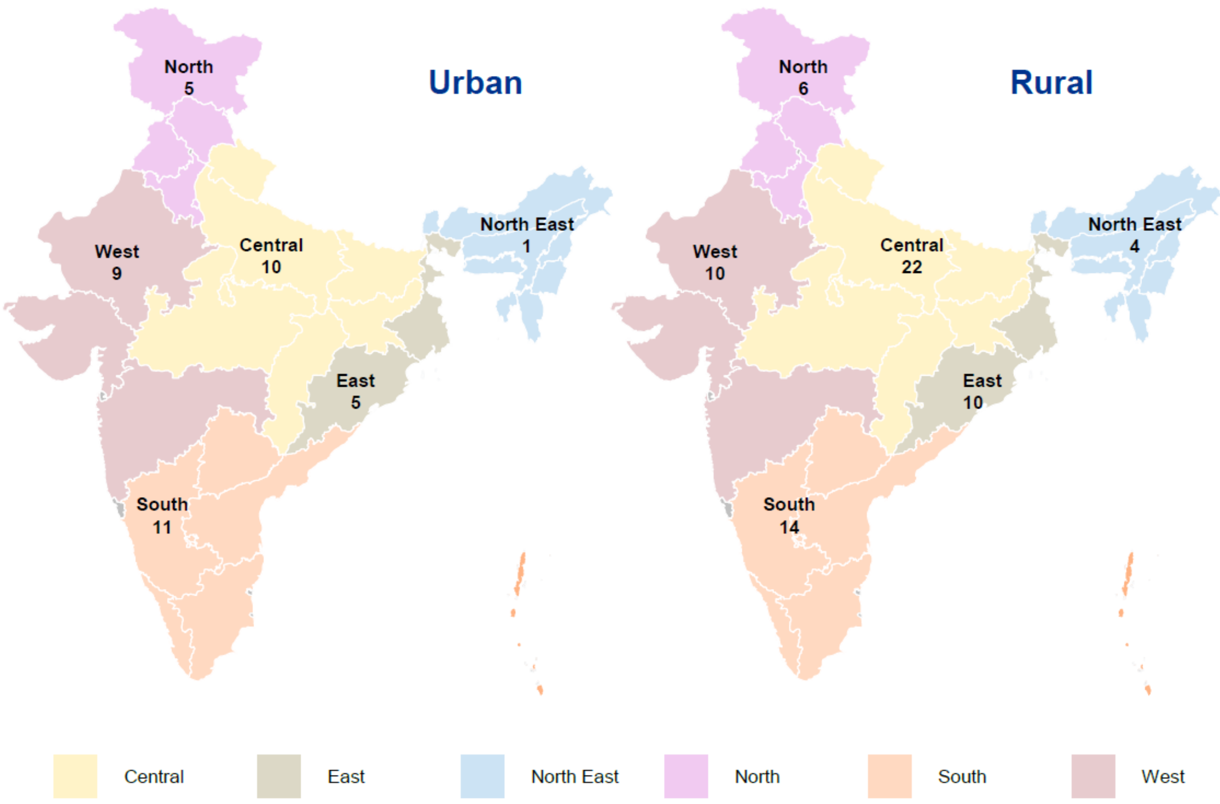
Based on the KPMG Report, it is also estimated that approximately 65.00% of the Indian population is under 35 years. The young base will get married in the next two decades and result in an average of 11 to 13 million weddings per year until 2021.

| All figures for 2016E (In millions) | India | Urban | Rural |
|---|---|---|---|
| Total Population[1] | 1,291 | 399 | 893 |
| Target Population (18 to 35 Female & 21 to 35 Male) | 373 | 121 | 252 |
| A. 21 to 35 years – Male | 174 | 57 | 117 |
| B. 18 to 35years – Female | 199 | 64 | 135 |
| **C. Unmarried[2] population from A + B** | **107** | **41** | **66** |
| D. Unmarried – Male (21 to 35 years) | 60 | 23 | 37 |
| E. Unmarried – Female (18 to 35 years) | 47 | 18 | 29 |

Source: Census 2011, KPMG Analysis

- [1]Total population for year 2016 has been extrapolated from census 2011 age data, table C2
- [2]The estimates for never married, divorced, separated and widowed people has been extrapolated from 2011 census
- [2]Unmarried population includes people who are never married, divorced, separated and widowed
- Urban - Minimum population of 5,000; Minimum density of 400 per sq. km; Minimum 75% of male workers in non-agriculture pursuits; all non urban are classified as rural

There is an even spread of unmarried individuals between urban and rural areas in North, West and South India while the spread of unmarried individuals in East, North-east and Central India is skewed towards the rural areas.




Source: Census 2011, KPMG Analysis

**Overview of Matchmaking Industry in India**

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

The online matchmaking industry is still at a nascent stage and accounts for approximately 6.00% of marriages in India. The online matchmaking industry in India is also a very fragmented market with over 2,600 wedding portals, only a handful of players of which have some scale and 700 of which are an extension of the community bodies which traditionally played a major role in alliance and matchmaking (source: http://www.business-standard.com/article/companies/booming-biz-of-online-marriages-111122200022_1.html ).

According to the comScore Report, Matrimony.com is the leader for online matchmaking services in India in terms of the average number of website pages viewed by unique visitors.

| Month | Website | Unique visitors (‘000s) | Time spent (minutes) (millions) | Total pages viewed (millions) | Average pages per visitor | Average minutes per visitor | Unique visitors × Average pages per visitor (‘000s) |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| Mar-17 | Matrimony.com* | 991 | 164 | 486 | 490 | 165 | 486,070 |
| Mar-17 | Shaadi.com matrimonials^ | 469 | 42 | 81 | 173 | 90 | 80,859 |
| Mar-17 | Jeevansathi | 412 | 27 | 54 | 131 | 66 | 53,955 |
| | | | | | | | 620,884 |
| Sep-16 | Matrimony.com* | 1,047 | 83 | 244 | 233 | 79 | 243,645 |
| Sep-16 | Shaadi.com matrimonials^ | 762 | 40 | 86 | 113 | 52 | 85,987 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep-16 | Jeevansathi | 401 | 20 | 37 | 93 | 50 | 37,459 |
| | | | | | | | 367,091 |
| Mar-16 | Matrimony.com* | 1,479 | 88 | 292 | 197 | 60 | 291,945 |
| Mar-16 | Shaadi.com matrimonials^ | 844 | 62 | 143 | 169 | 73 | 143,028 |
| Mar-16 | Jeevansathi | 475 | 21 | 40 | 85 | 44 | 40,334 |
| | | | | | | | 475,307 |
| Sep-15 | Matrimony.com* | 1,511 | 117 | 324 | 215 | 77 | 324,359 |
| Sep-15 | Shaadi.com matrimonials^ | 996 | 48 | 138 | 138 | 48 | 137,591 |
| Sep-15 | Jeevansathi | 521 | 21 | 41 | 78 | 41 | 40,879 |
| | | | | | | | 502,829 |
| Mar-15 | Matrimony.com* | 1,795 | 95 | 283 | 158 | 53 | 283,106 |
| Mar-15 | Shaadi.com matrimonials^ | 1,341 | 58 | 154 | 115 | 43 | 153,888 |
| Mar-15 | Jeevansathi | 616 | 26 | 54 | 88 | 42 | 54,180 |
| | | | | | | | 491,174 |
| Sep-14 | Matrimony.com* | 1,518 | 80 | 232 | 153 | 53 | 232,460 |
| Sep-14 | Shaadi.com matrimonials^ | 1,177 | 40 | 118 | 100 | 34 | 118,298 |
| Sep-14 | Jeevansathi | 527 | 21 | 48 | 90 | 40 | 47,528 |
| | | | | | | | 398,286 |

Source: comScore Matrimony Data (2014 to 2017)

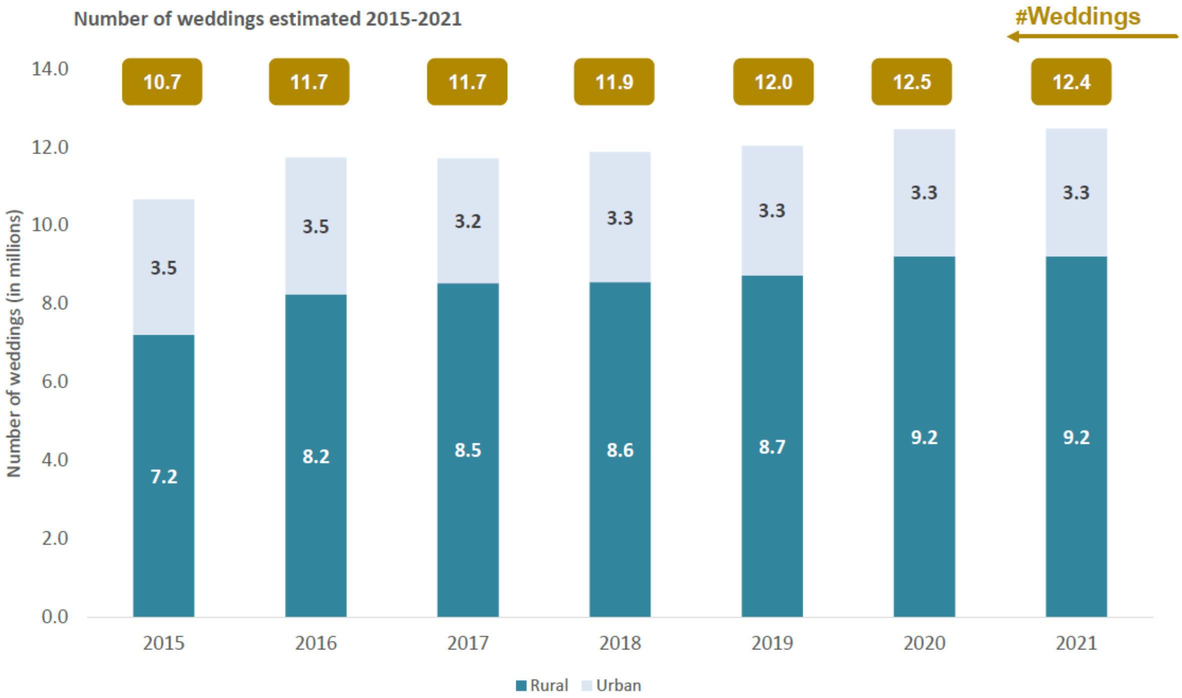
* Matrimony.com data does not include data from all sites under Matrimony.com

^ Shaadi.com matrimonials data does not include data from all sites under Shaadi.com

***Key Drivers of Growth for Online Matchmaking in India***

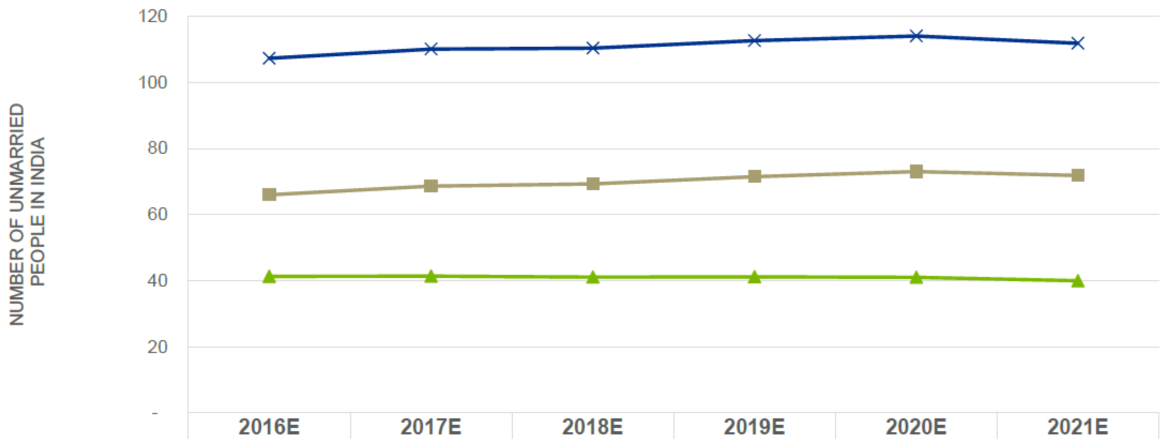
*Favorable demographic trends*

Based on the KPMG Report, approximately 11.70 million marriages took place in India in 2016, which translates to approximately 23.40 million individuals who got married in India in 2016. Further, it is estimated that in 2016, of the 107 million individuals in India who were unmarried, there were approximately 63 million individuals in India who were actively seeking prospective life partners. Based on the KPMG Report, the population within the marriageable age bracket in India will grow at an average rate of 0.84% until 2021 and that approximately 60.5 million weddings will take place in India from 2017 to 2021 (both years included).




Source: Census 2011, KPMG Analysis

Note: The number of marriages have been estimated basis the mean age of marriage (female) by state, and the number of girls at that age during a particular year. The number of marriages have been calculated on a rolling basis and keeping the mean age of marriage constant.




| | 2016E | 2017E | 2018E | 2019E | 2020E | 2021E |
|---|---|---|---|---|---|---|
| Rural | 66 | 69 | 69 | 71 | 73 | 72 |
| Urban | 41 | 41 | 41 | 41 | 41 | 40 |
| Grand Total | 107 | 110 | 110 | 113 | 114 | 112 |

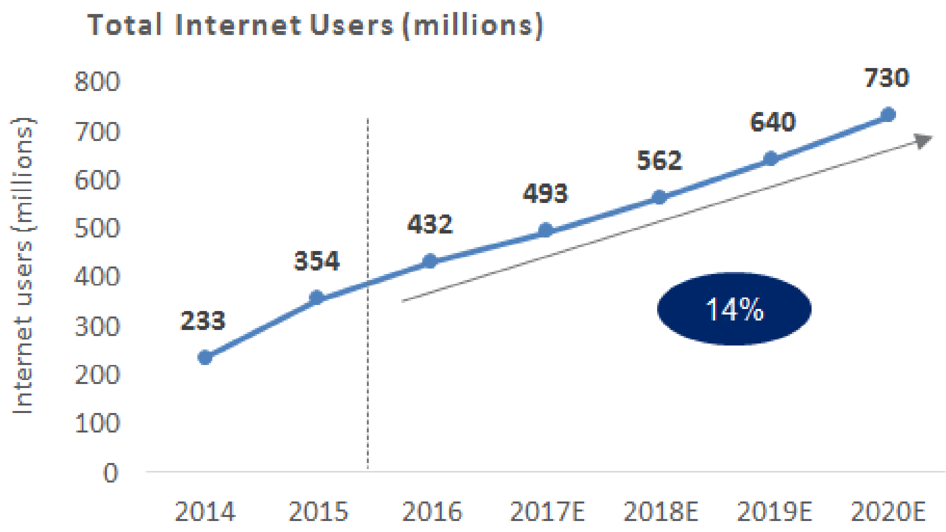
Source: Census 2011, KPMG Analysis

**Note: Population numbers pertain to females in the age group 18 – 35, males in the age group of 21 – 35**
The projections factors in a constant rate of rural to urban migration at 3.4% of the rural population. As per 2011 census estimates, the net rural to urban migration was ~14 million; 1.7% of the total rural population. This rate has been doubled for the population in the said age group

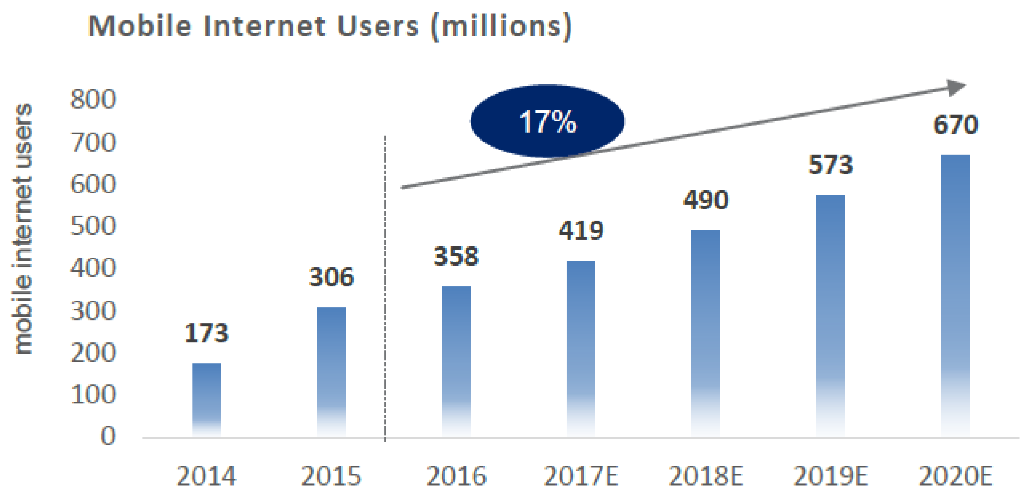
*Increasing internet and mobile internet penetration*

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

It is estimated that as of July 1, 2016, there were approximately 462 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile) and connection) in India, with an Internet penetration of 34.80% (source: http://www.internetlivestats.com/). The number of Internet users in India is expected to reach over 730 million users by fiscal 2020, which would increase the penetration level to approximately 54.00% of the Indian population. By comparison, as of July 1, 2016 the penetration level was approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com/). In addition, according to the KPMG Report, it is estimated that mobile Internet penetration in India will grow at an average CAGR of 17.00% to reach 670 million users by fiscal 2020

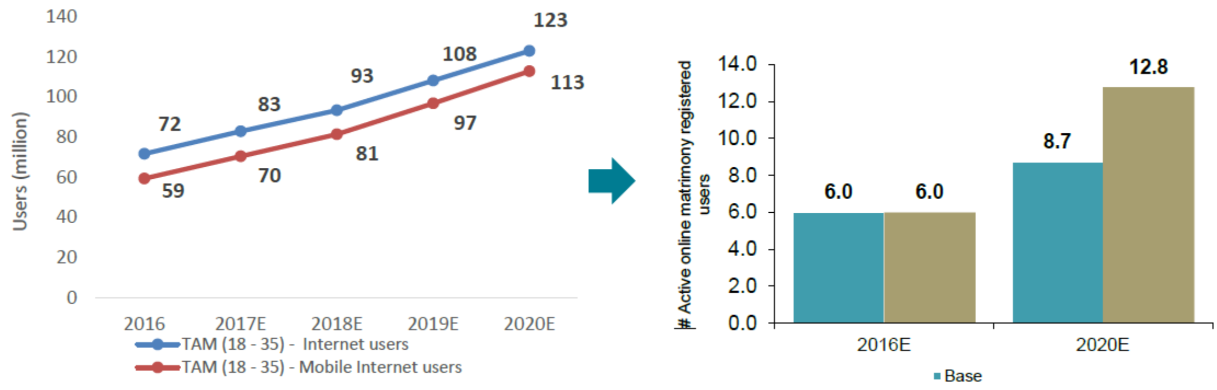



Source: Industry Estimates, KPMG Analysis, IAMAI, TRAI




Source: Industry Estimates, KPMG Analysis, IAMAI, TRAI

In addition, it is assumed that the Internet penetration for the age group of 18 to 35 years is twice the Internet penetration for India. This increase in Internet penetration is expected to translate into an increased base of Internet users and mobile Internet users for this age group. Further, it is estimated that these two factors will lead to an increase in the active user base from 6.0 million in 2016 to 8.7 million in 2020 in a base case scenario. The active user base for online matchmaking could also increase to 12.80 million in 2020 if there is a shift from offline to online channels for matchmaking.




Source: KPMG Analysis

**Base case –** Assumes the current online matrimony penetration (currently at 14%) within the active seekers who have internet access
**Scenario 1 –** Assumes online matrimony penetration increases by 10% each year, i.e. online matrimony penetration within active seekers (with internet) to 19% in FY20

*Cultural receptivity to arranged marriages*

Arranged marriages have been traditionally accepted by the Indian society as a means by which brides, grooms, their immediate family, relatives and friends, community elders, matchmaking agencies and matrimonial sites, searched for a potential marriage partner for an individual in light of such individual's backgrounds, including religion, caste and regional origin. Parents tend to be the primary decision makers although with increasing education levels, the bride and groom are also having their say. Notwithstanding changes which have taken place in the Indian society, arranged marriage has continued to maintain its vitality as the societal institution. According to the United Nations Children's Fund, Human Rights Council, ABC News, as of 2016, approximately 88.40% of marriages in India are arranged (source: "Arranged/Forced Marriage Statistics – Statistic Brain" Statistic Brain Research Institute, publishing as Statistic Brain. August 16, 2016 http://www.statisticbrain.com/arranged-marriage-statistics/) and the remaining 11.60% of marriages in India are closer to love marriages, being marriages based upon mutual love, affection, commitment and attraction.

*Increasing mobility of individuals in Indian society*

Increasing number of Indians are leaving their native places and moving out of India or their own societies in search of a job or a better lifestyle. However, when it comes to marriage, it has been ordinarily seen that they prefer to get married with people from their communities with similar background in terms of caste, religion, linguistic and regional features. In fact, one of the primary drivers of online matchmaking sites initially was the non-resident Indian segment, where potential non-resident Indian bridegrooms started using these online services extensively in search of Indian brides. The share of resident Indian segment in the total traffic on online matchmaking sites is expected to rise as similar trend of increasing mobility is witnessed within India. Creation of new industry clusters in various parts of India have led to a movement of young Indians to places where they could find an ideal job and this segment is expected to drive the growth in the resident Indian segment.

*Increased freedom of choice over life decisions*

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

## SUMMARY OF BUSINESS

*The information in this section should be read together with the financial and other information included in this Draft Red Herring Prospectus. Data included in this section in relation to key business metrics has been reviewed and verified by R.G.N. Price & Co., a firm of Chartered Accountants, and is included in their report dated May 2, 2017 (the "**Key Business Metrics Report**"). The information in this section is also derived from other sources including the Internet World Stats statistics available at http://www.internetworldstats.com; traffic share distribution from April 2014 to March 2017 for Matrimony.com, Jeevansathi and Shaadi.com matrimonials compiled by comScore, Inc. (the "**comScore Report**"); and the industry report dated May 4, 2017 entitled "Market Study of Online Matrimony & Marriage Services in India" (the "**KPMG Report**") prepared by KPMG, an independent management consultant, pursuant to an engagement with the Company. The KPMG Report contains disclaimers and scope limitations pertaining to the work performed by it, a summary of which is set out below. The KPMG Report should be referred to for the full text of the disclaimers and scope limitations.*

*The information contained in the KPMG Report is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on the information contained in the KPMG Report or any part thereof, without appropriate professional advice and due consideration. The KPMG Report reflects the position only as of the date of the KPMG Report, pursuant to an engagement letter between the Company and KPMG dated April 26, 2017, and KPMG does not undertake to update the information already contained in the KPMG Report. KPMG has subsequently consented to inclusion of extracts of the KPMG Report prepared by it in this Draft Red Herring Prospectus through its letter dated May 4, 2017. The KPMG Report does not attest the capabilities of our Company. The KPMG Report sets forth KPMG's views based on completeness and accuracy of the facts stated to it by the Company, and KPMG assumes no responsibility for the same. While performing the work, KPMG has assumed the genuineness of all signatures and the authenticity of all original documents in respect of the information received by it. It has not independently verified the correctness or authenticity of the same. KPMG has not performed an audit and does not express an opinion, or any other form of assurance. Further, comments in the KPMG Report are not intended, nor should they be interpreted to be legal advice or opinion. While information obtained from the public domain or external sources ("**Information**") has not been verified for authenticity, accuracy or completeness, KPMG has obtained Information, as far as possible, from sources generally considered to be reliable, inter alia, from the Internet and Mobile Association of India ("**IAMAI**"). KPMG does not guarantee the accuracy, adequacy or completeness of Information and is not responsible for any errors or omissions in the Information or for the results obtained from the use of such Information. The KPMG Report may make reference to "KPMG Analysis"; this indicates only that it has (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; KPMG does not accept responsibility for the veracity of underlying Information. KPMG's views are not binding on any person, entity, authority or court; hence, no assurance is given that a position contrary to the opinions expressed in the KPMG Report will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law. In accordance with its policy, KPMG disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers/users/transmitters/distributors in the Offer who uses or relies upon the KPMG Report or extracts therefrom. The KPMG Report cannot and do not make a recommendation to anyone for investment in the Company.*

*Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.*

*Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the sections titled "Risk Factors" and "Financial Information" on pages 17 and 202, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section titled "Risk Factors" on page 17.*

### Overview

Our business currently comprises two segments – (i) matchmaking services and (ii) marriage services and related sale of products. In fiscal 2017, matchmaking services and marriage services accounted for all of our revenue and there was no revenue from the related sale of products.

According to the comScore Report, we are the leading provider of online matchmaking services in India in terms of the average number of website pages viewed by unique visitors in March 2017 (Matrimony.com data does not include data from all sites under Matrimony.com). We deliver matchmaking services to our users in India and the Indian diaspora through our websites, mobile sites and mobile apps complemented by our on-the-ground network in India. Our brand, BharatMatrimony.com, has been ranked as India's most trusted online matrimony brand by The Brand Trust Report India Study 2014 (a study covering 20,000 brands across 16 cities) and we believe that our other matchmaking brands such as CommunityMatrimony.com and EliteMatrimony.com are well-established in India.

According to the KPMG Report, there were approximately 107 million unmarried individuals in India within the marriageable age bracket in 2016, being 18 to 35 years for females and 21 to 35 years for males. It is estimated that approximately 60.5 million marriages will take place in India from 2017 to 2021. In addition, it is estimated that as of July 1, 2016, there were approximately 462 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile) and connection) in India, with an Internet penetration of 34.80%, compared to approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com/). According to the KPMG Report, the number of Internet users in India is expected to reach over 730 million users by fiscal 2020, which would increase the penetration level to approximately 54.00% of the Indian population. Our leading position in the online matchmaking market in terms of the average number of website pages viewed by unique visitors in March 2017 (Matrimony.com data does not include data from all sites under Matrimony.com) in India allows us to take advantage of this opportunity.

According to the United Nations Children's Fund, Human Rights Council, ABC News, as of 2016, approximately 88.40% of marriages in India are arranged (source: "Arranged/Forced Marriage Statistics – Statistic Brain" Statistic Brain Research Institute, publishing as Statistic Brain. August 16, 2016 http://www.statisticbrain.com/arranged-marriage-statistics/). Such arranged marriages are largely facilitated by families, friends, community elders, priests or matchmaking agencies. However, increasing mobility of individuals in Indian society, increasing freedom of choice over key life decisions and the reach, choice, privacy, speed of communication and interaction provided by the online medium provide an opportunity for online matchmaking service providers like our Company. The younger generation in India is increasingly seeking to play a larger role in the decision-making process for their marriages. Online matchmaking service providers aim to bridge this gap and provide an online platform for arranged marriages whereby prospective brides and grooms and their families can both participate in the process of finding marriage partners.

As one of the first companies to provide online matchmaking services in India, we believe that we have an early mover advantage among consumers seeking online matchmaking services. As of March 31, 2017, we had a large database of profiles comprising 3.03 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period), which we believe creates a network effect that attracts more users to register or subscribe through our websites, mobile sites and mobile apps and also results in higher customer engagement, which in turn drives monetization of our user base and enables us to maintain a leading position in the online matchmaking market in India. According to the Key Business Metrics Report, in fiscal 2015, fiscal 2016 and fiscal 2017, we had 647,000, 678,000 and 702,000 paid subscriptions, respectively. We also believe that we have a high degree of brand recall and trust in India, as evidenced by the average number of our website pages viewed by unique visitors in March 2017 in the comScore Report (Matrimony.com data does not include data from all sites under Matrimony.com), and an efficient business model with low credit risk which has allowed us to fund the growth of our business primarily through internal accruals since fiscal 2009. To focus on and grow our matrimony matchmaking business to cater to the Indian diaspora for which subscription revenues were received in foreign currency (the "NRI Business"), the Company has granted a non-exclusive, non-sub-licensable and non-assignable business license, of certain brand names and domain names owned by the Company to its wholly-owned subsidiary, Consim USA, to operate the NRI Business in all territories outside India with effect from December 15, 2015 until December 14, 2019.

We differentiate ourselves from other players in India by following a micro-market strategy whereby we offer a range of targeted and customized products and services that are tailored to meet the requirements of customers based on their linguistic, religious, caste and community preferences as well as personalized matchmaking services through EliteMatrimony and our Assisted Service package. We leverage technology and analytics across all stages of the matchmaking process to drive acquisition of profiles, assist members in completing their profiles, validate profiles based on rules designed to remove inappropriate content in near real-time, identify appropriate channels of service for members and assist members in choosing the right packages, thereby helping in value creation and monetization. We believe that such technology and analytics are secure, scalable and analyze large volumes of data.

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

According to the KPMG Report, the marriage services industry in India is estimated to be worth approximately ₹ 3,681 billion in fiscal 2016, with catering, decoration, venue, gifts and photography accounting for approximately 61.00% of marriage services spends in fiscal 2016. However, the majority of the categories of marriage services in India are unorganized and highly fragmented, presenting a potential opportunity for an organized aggregator to provide these services. In this regard, we are expanding into the growing marriage services market to complement and leverage off our online matchmaking services. For example, we have launched marriage services such as MatrimonyDirectory.com, a listing website for marriage-related directory services including listings for wedding venues, wedding planners, wedding cards and caterers, MatrimonyPhotography.com in Tamil Nadu, Kerala, Andhra Pradesh and Telangana to provide wedding photography and videography services and MatrimonyBazaar.com in Chennai, Coimbatore, Madurai and Trichy to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers' wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy. According to the KPMG Report, it is expected that Indian weddings will become more elaborate and extravagant due to factors such as rising disposable incomes, the gradual shift towards convenience and the aspiration for personalized weddings, leading to an increase in wedding spend from customers. We believe that our diversification beyond online matchmaking to marriage services, through the launch of marriage services initiatives, provides an opportunity for us to tap into this emerging segment. We believe that the provision of ancillary marriage services is an extension of our online matchmaking business and we will benefit from having a common customer base that has been acquired over the years through our online matchmaking business.

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

In fiscal 2015, fiscal 2016 and fiscal 2017, we generated consolidated total revenue of ₹ 2,428.41 million, ₹ 2,554.29 million and ₹ 2,929.30 million respectively, of which ₹ 2,319.91 million, ₹ 2,440.31 million, and ₹ 2,807.63 million, respectively, was attributable to our matchmaking services segment. Our restated consolidated profit before exceptional items, interest, tax, depreciation and amortization (EBITDA) was ₹ 178.08 million, ₹ 72.31 million and ₹ 592.04 million in fiscal 2015, fiscal 2016 and fiscal 2017, respectively. Our restated consolidated loss before minority interest was ₹ 29.04 million and ₹ 750.55 million in fiscal 2015 and fiscal 2016, respectively, which were largely attributable to certain exceptional item losses in these periods. Our restated consolidated profit before minority interest was ₹ 437.83 million for fiscal 2017.

**Our Strengths**

We believe that we are the leading online matchmaking services provider in India, which is attributable to the following competitive strengths:

***Large Database of Profiles and Consequential Network Effect***

We started offering our online matchmaking services in 2001. We believe that as one of the first companies to offer online matchmaking services in India, we have an early mover advantage among customers seeking online matchmaking services and this has enabled us to build a large database of profiles over several years. As of March 31, 2017, we had a database comprising 3.03 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period), according to the Key Business Metrics Report. We believe that a large database of profiles, such as the one we have developed, maintained and grown over several years, requires considerable time and effort to establish and maintain, which creates a significant barrier to entry. We believe that our large database of profiles creates a consequential network effect that attracts more users to register or subscribe through our websites, mobile sites or mobile apps and also results in higher customer engagement on our websites, mobile sites and mobile apps, which in turn enables us to maintain a leading position in the online matchmaking market in India. According to the Key Business Metrics Report, in fiscal 2015, fiscal 2016 and fiscal 2017, we had 647,000, 678,000 and 702,000 paid subscriptions, respectively, and our average transactional value ("**ATV**"), being the total revenue earned (net of service tax) from our matchmaking services segment for the period divided by the total number of paid subscriptions for the period, was ₹ 3,655, ₹ 3,827 and ₹ 4,065 respectively. Further, the repository of information from our large database of profiles allows us to build a differentiated capability in providing our user base with an engaging user experience through analytics.

***Micro-Market Strategy and Customized or Personalized Services***

We recognize that our customers are making important life decisions and in this regard, we have adopted a micro-market strategy whereby we offer a range of targeted and customized products and services that are tailored to meet the specific requirements of customers based on their religious or caste preferences or other criteria such as marital status and age bracket. For example, we cater to the needs of various communities through CommunityMatrimony, a consortium of various matrimony portals comprising more than 300 community matrimony sites.

We also provide personalized matchmaking services through relationship managers to users through EliteMatrimony and our Assisted Service package. We believe that our micro-market strategy differentiates us from other players in India and enables us to grow in a fragmented and unorganized industry that has historically been difficult to monetize in a sustainable manner at scale.

***Strong Consumer Brand***

We believe that we have a high degree of brand recall and trust in India, as evidenced by the average number of our website pages viewed by unique visitors in March 2017 in the comScore Report (Matrimony.com data does not include data from all sites under Matrimony.com). BharatMatrimony.com has been ranked as India's most trusted online matrimony brand by The Brand Trust Report India Study 2014 (a study covering 20,000 brands across 16 cities) and has been featured in the Limca Book of Records for record number of documented marriages online. Based on a study on India's online landscape, the online research firm, JUXT, certified BharatMatrimony.com as the most used matrimonial search website in 2013-2014 by Indian online consumers. We believe that a quality database is important in the online matchmaking business and is critical to building trust with users. We invest efforts and resources in maintaining and continuously improving the quality of our database. For example, all of our member profiles are authenticated by mandatory mobile number verification and registered members have an option to add "Trust Badges" to their profiles, such as the "Identity Trust Badge" which is activated by uploading a copy of any specified government-issued identity proof to add credibility to their profiles.

***Wide On-the-Ground Network for Customer Acquisition and Support***

As of March 31, 2017, we had 140 retail centers distributed across India where potential or existing customers can walk in and seek the assistance of retail executives to register on our websites and/or make payment for the matchmaking product or service of their choice. In addition, as of March 31, 2017, we had service delivery centers in 10 cities where service teams provide services such as reaching out to our members to educate them of the features and facilities available on our websites, mobile sites and mobile apps to assist them in making better use of our online matchmaking services and choosing the most appropriate service and subscription package based on their requirements, assisting with doorstep collection and assisting customers in making payments. We believe that our on-the-ground network of retail centers and service team helps in the customer education process, builds trust among our customers and drives monetization by encouraging existing free members to take up paid subscriptions.

***Robust Technology and Analytics***

We leverage technology and analytics across all stages of the matchmaking process such as acquisition and registration of profiles, validation, mutual discovery process and member contact. Technology and analytics are used extensively to drive acquisition of profiles, assist members in completing their profiles, validate profiles based on rules designed to remove inappropriate content in near real-time, identify appropriate channels of service for members and assist members in choosing the right packages, thereby helping in value creation and monetization. We employ business intelligence, data warehousing, data analytics with IBM Unica systems for campaign management, big data analysis and search algorithms development to provide fast and responsive service to our customers. Matrimony.com's Intelligent Matchmaking Algorithm ("**MIMA**") is a real-time recommendation engine which we have developed in-house using mathematical rules and machine learning systems that recommends appropriate profiles to members, thereby enhancing user experience. In 2015, we received a certificate of excellence from the National Association of Software and Services Companies ("**NASSCOM**") for "innovative application of analytics for business solution". In addition, we have developed a range of mobile apps across mobile platforms including iOS, Android and Windows. We have also recently introduced mobile apps for our BharatMatrimony regional sites and certain community sites which have led to an increase in profile registrations. As of April 15, 2017, our BharatMatrimony mobile app and apps for our regional and community sites have achieved 5.8 million estimated installs according to www.androidrank.org. A significant number of our members currently utilize our mobile sites and mobile apps for online matchmaking. According to the Key Business Metrics Report, in March 31, 2017, 81.00% of profile views, 72.00% of "Express Interest" messages, 54.00% of personalized messages sent and received and 62.00% of phone numbers viewed on our BharatMatrimony portals were undertaken through our mobile sites and mobile apps, and registrations through our mobile sites and mobile apps accounted for 72.00% of the total number of free profiles registered on our database. Our technologies and analytics are secure, scalable and analyze large volumes of data. Further, we have a technology team which works on innovating products to enhance features, mobile apps and product offerings for PC and mobile platforms.

***Efficient Business Model***

We believe that our business model is efficient and tailored for the Indian market. Members who subscribe for our paid online matchmaking packages are required to make payments in advance before they are able to access certain features and functionalities on our websites, mobile sites and mobile apps that are not available to free members, which we believe results in low credit risk in our matchmaking business. In addition, we have maintained focus on capital efficiency and have grown without incurring any material indebtedness, and have instead funded the growth of our business primarily through internal accruals since fiscal 2009.

**Our Strategy**

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

***Expand Our User Base***

According to the KPMG Report, the online matchmaking industry is still at a nascent stage in India and accounts for approximately 6.00% of marriages in India, providing a significant opportunity to grow in this space. In 2016, there were approximately 63 million individuals in India actively seeking prospective marriage partners and approximately 107 million unmarried individuals in India within the marriageable age bracket in 2016, being 18 to 35 years for females and 21 to 35 years for males. It is estimated that the population within the marriageable age bracket in India is expected to grow at an average rate of 0.84% until 2021 and that approximately 60.5 million weddings will take place in India from 2017 to 2021. To take advantage of this opportunity, we intend to continue to drive profile registrations and expand our user base by enhancing our user experience and engagement to ensure that existing users continue to visit, and new users are attracted to visit, our websites, mobile sites and mobile apps and that both existing free users and new users subscribe to our paid services. This is important since we lose members on an ongoing basis once they have found suitable matches and we believe that our online matchmaking websites, mobile sites and mobile apps will only be attractive to users if we maintain a large database of profiles of prospective brides and grooms. To enhance our user experience, we intend to enhance the utility, features and verification processes of our existing products and services and create new products and services customized for diverse groups of users based on their geographic location, interests and other criteria. We also intend to deepen our geographic penetration across all parts of India and continue to drive registrations through our mobile platform.

***Continue Investments in Mobile Platform***

We intend to continue to invest in our mobile platform in view of the increasing mobile usage among users in India. According to the KPMG Report, it is estimated that mobile Internet penetration in India will grow at an average CAGR of 17.00% to reach 670 million users by fiscal 2020. A significant number of our members currently utilize our mobile sites and mobile apps to access our online matchmaking services. According to the Key Business Metrics Report, in March 31, 2017, 81.00% of profile views, 72.00% of "Express Interest" messages, 54.00% of personalized messages sent and received and 62.00% of phone numbers viewed on our BharatMatrimony portals were undertaken through our mobile sites and mobile apps, and registrations through our mobile sites and mobile apps accounted for 72.00% of the total number of free profiles registered on our database.

To increase our footprint on the mobile platform, we have developed a range of mobile apps across mobile platforms including iOS, Android and Windows and intend to continue to expand our mobile offerings. We aim to provide our users with a rich mobile experience and all features and functionalities available on our websites will similarly be made available on our mobile sites and mobile apps. We have recently introduced mobile apps for our BharatMatrimony regional sites and certain community sites which have led to an increase in profile registrations. As of April 15, 2017, our BharatMatrimony mobile app and apps for our regional and community sites have achieved 5.8 million estimated installs according to www.androidrank.org. Our BharatMatrimony mobile app has also been recognized as the best app in the social category at the Global Mobile App Summit and Awards held in July 2016.

***Drive Monetization***

We intend to drive monetization of our existing user base by increasing the value of our network through expanding our user base, improving the quality of user profiles and improving the ease of searching profiles and the quality of search results and responses. We aim to do these by investing in technology to make our websites, mobile sites and mobile apps more user-friendly, continuously improving on existing products and services and creating more relevant new products and services, improving the quality of user profiles by encouraging users to include photographs and complete profile information through marketing campaigns, and developing better matchmaking algorithms (in addition to our existing MIMA algorithm) to ensure more relevant matches in searches. We intend to further drive monetization of our user base by increasing the use of analytics to identify prospective users who may opt for paid subscription.

We believe that an experienced and well-trained service team is also critical to our efforts to drive monetization. In this regard, we intend to devote resources towards developing and expanding our sales infrastructure to provide quality support to our users. Our service team assists users with registration, profile completion, search and making better use of our websites, mobiles sites or mobile apps and also informs registered members on the benefits of paid subscription. If a member opts for paid subscription, our service team assists them in selecting an appropriate subscription package and payment channel. Further, we intend to invest resources in developing and training our collection team to collect efficiently and upsell. Through these means, we aim to encourage users to convert from free membership to paid subscriptions and also to upsell packages to, and improve renewals among, existing paid users.

***Further Strengthen Our Brands***

Our brands constitute an important asset and we intend to continue to take steps to further develop and enhance our brands, especially BharatMatrimony.com, CommunityMatrimony.com and EliteMatrimony.com, through activities such as television advertising, online advertising and social media advertising. For details in relation to some of our proposed advertising and brand-building activities, see the section titled "*Objects of the Offer*" on page 112. Our BharatMatrimony "Happy Marriage" television commercial was voted among the top 10 advertisements of 2013 by the brand equity editorial panel of a leading business newspaper in India, The Economic Times and also won a special jury mention for gender sensitivity (2013-2014) at The National Laadli Media and Advertising Awards in 2015 for portraying women positively. We have incurred advertisement and business promotion expenses constituting 21.93%, 21.09% and 17.83% of our total consolidated revenue in fiscal 2015, fiscal 2016 and fiscal 2017, respectively, and we will continue to spend a significant portion of our revenue on promotional and marketing activities. We believe that such efforts will enhance the visibility of our brands, drive registration levels and result in increased conversion to paid subscriptions, which will consequently enable us to retain our leading position in the online matchmaking services market in India as well as maintain our position as the most used online matchmaking website in India.

***Continue to Expand into Marriage Services***

A key strategy for driving monetization is to increase the length of our relationship with our customers and increase the amount of revenue earned from our customers by offering additional marriage services to our online matchmaking user base. According to the KPMG Report, the marriage services industry in India is estimated to be worth approximately ₹ 3,681 billion in fiscal 2016, with catering, decoration, venue, gifts and photography accounting for approximately 61.00% of marriage services spends in fiscal 2016. However, the majority of the categories of marriage services in India are unorganized and highly fragmented, presenting a potential opportunity for an organized aggregator to provide these services. In this regard, we have leveraged our brands, user activity on our platforms and our online matchmaking client base to diversify into marriage services to take advantage of the lack of organized services in this fragmented market. We intend to continue to invest in building our marriage services verticals, with a focus on adjacent areas with a synergy with our core online matchmaking business, to target our existing online matchmaking clients and also clients who require marriage services. Marriage services that we have introduced in recent years include MatrimonyDirectory.com for marriage-related directory services, MatrimonyPhotography.com to provide wedding photography and videography services and MatrimonyBazaar.com to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers' wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Financial Statements. These Financial Statements have been prepared in accordance with Indian GAAP, the Companies Act, 1956, to the extent applicable, the Companies Act, 2013 and the SEBI Regulations and are presented in the section titled "*Financial Information*" on page 202. The unconsolidated and consolidated summary financial information presented below should be read in conjunction with Financial Statements, the notes thereto and the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 337.

### Restated Consolidated Financial Information of Assets and Liabilities

***(All amounts are in INR million unless otherwise stated)***

| | Particulars | As at | | | | |
|---|---|---|---|---|---|---|
| | | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| | **Equity and liabilities** | | | | | |
| **A** | **Shareholders' funds** | | | | | |
| | Share capital | 106.21 | 91.93 | 91.93 | 59.38 | 59.38 |
| | Reserves and surplus | (417.53) | (852.84) | (101.23) | (81.28) | 10.31 |
| | | **(311.32)** | **(760.91)** | **(9.30)** | **(21.90)** | **69.69** |
| | | | | | | |
| **B** | **Minority Interest** | **-** | **2.63** | **2.49** | **2.24** | **2.00** |
| | | | | | | |
| **C** | **Non-current liabilities** | | | | | |
| | Long term borrowings | - | 1.56 | 5.02 | - | - |
| | Other long term liabilities | 2.51 | 209.47 | 34.82 | 52.44 | 0.25 |
| | Long term provisions | 19.51 | 16.30 | 15.01 | 12.29 | 11.10 |
| | | **22.02** | **227.33** | **54.85** | **64.73** | **11.35** |
| **D** | **Current liabilities** | | | | | |
| | Short-term borrowings | 443.76 | 481.93 | 267.27 | 148.13 | 254.98 |
| | Trade payables | | | | | |
| | Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 163.66 | 352.16 | 226.49 | 229.82 | 194.90 |
| | Other current liabilities | 817.36 | 883.05 | 443.20 | 381.97 | 318.16 |
| | Short term provisions | 58.14 | 52.27 | 46.90 | 25.77 | 51.89 |
| | | **1,482.92** | **1,769.41** | **983.86** | **785.69** | **819.93** |
| | **Total Equity and liabilities (A+B+C+D)** | **1,193.62** | **1,238.46** | **1,031.90** | **830.76** | **902.97** |
| | | | | | | |
| | **Assets** | | | | | |
| **E** | **Non-current assets** | | | | | |
| | **Fixed assets** | | | | | |
| | Property, Plant and Equipment | 177.68 | 192.03 | 162.28 | 158.39 | 152.22 |
| | Intangible assets | 64.68 | 92.03 | 74.45 | 34.61 | 24.64 |
| | Intangible assets under Development | - | - | 2.87 | 43.14 | 2.26 |
| | Goodwill | - | 0.39 | 0.39 | 0.39 | 0.39 |
| | Non-current investments | - | - | - | 0.30 | 0.30 |
| | Long term loans and advances | 190.43 | 111.68 | 123.63 | 145.91 | 137.52 |
| | | **432.79** | **396.13** | **363.62** | **382.74** | **317.33** |
| **F** | **Current assets** | | | | | |
| | Inventory | - | - | - | 3.85 | 1.28 |
| | Trade receivables | 21.57 | 18.96 | 10.20 | 15.52 | 13.15 |
| | Cash and bank balances | 580.13 | 583.84 | 531.24 | 373.04 | 318.29 |
| | Short term loans and advances | 39.06 | 109.72 | 92.11 | 51.87 | 249.45 |
| | Other current assets | 120.07 | 129.81 | 34.73 | 3.74 | 3.47 |
| | | **760.83** | **842.33** | **668.28** | **448.02** | **585.64** |
| | **Total Assets (E+F)** | **1,193.62** | **1,238.46** | **1031.90** | **830.76** | **902.97** |

**Restated Consolidated Financial Information of Profits and Losses**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Income from operations** | | | | | |
| Revenue from operations | | | | | |
| Matchmaking services | 2,807.63 | 2,440.31 | 2,319.91 | 1,988.55 | 1,873.22 |
| Marriage services | 120.56 | 107.89 | 73.50 | 50.74 | 9.93 |
| Sale of products – return gifts | - | - | 20.71 | 15.09 | 2.92 |
| | | | | | |
| Other income | 1.11 | 6.09 | 14.29 | 18.76 | 1.76 |
| **Total revenue** | **2,929.30** | **2,554.29** | **2,428.41** | **2,073.14** | **1,887.83** |
| | | | | | |
| **Expenses** | | | | | |
| Purchase of traded goods | - | - | 15.10 | 12.78 | 3.40 |
| Increase / (decrease) in inventories of traded goods | - | - | 3.85 | (2.57) | (0.95) |
| Employee benefit expenses | 1,165.85 | 1,252.52 | 1,059.28 | 878.89 | 750.91 |
| Advertisement and business promotion expenses | 522.30 | 538.60 | 532.52 | 481.38 | 462.40 |
| Other expenses | 649.11 | 690.86 | 639.58 | 572.20 | 510.08 |
| **Total expenses** | **2,337.26** | **2,481.98** | **2,250.33** | **1,942.68** | **1,725.84** |
| | | | | | |
| **Restated earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)** | **592.04** | **72.31** | **178.08** | **130.46** | **161.99** |
| | | | | | |
| Depreciation and amortisation expense | 103.81 | 97.54 | 81.67 | 56.36 | 64.69 |
| | | | | | |
| Finance cost | 44.28 | 29.86 | 15.71 | 8.22 | 14.01 |
| | | | | | |
| Finance income | (37.74) | (42.24) | (32.14) | (31.78) | (39.66) |
| | | | | | |
| **Restated earnings before exceptional items, tax and minority interest** | **481.69** | **(12.85)** | **112.84** | **97.66** | **122.95** |
| | | | | | |
| Less: Exceptional items | 43.72 | 737.66 | 141.78 | 188.97 | 18.58 |
| | | | | | |
| **Restated profit / (loss) before tax and minority interest** | **437.97** | **(750.51)** | **(28.94)** | **(91.31)** | **104.37** |

**Restated Consolidated Financial Information of Profits and Losses (continued)**

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Tax expense** | | | | | |
| Current tax | 15.14 | 0.04 | 0.10 | 0.04 | 0.02 |
| MAT Credit Entitlement | (15.00) | - | - | - | - |
| Deferred tax | - | - | - | - | - |
| **Total tax expense** | **0.14** | **0.04** | **0.10** | **0.04** | **0.02** |
| | | | | | |
| **Restated profit / (loss) before minority interest (A)** | **437.83** | **(750.55)** | **(29.04)** | **(91.35)** | **104.35** |
| | | | | | |
| **Minority interest (B)** | 0.02 | 0.14 | 0.25 | 0.24 | 0.25 |
| | | | | | |
| **Restated profit / (loss) for the year (A-B)** | **437.81** | **(750.69)** | **(29.29)** | **(91.59)** | **104.10** |

**Restated Consolidated Financial Information of Cash Flows**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES** | | | | | |
| Net profit before taxation from operations before exceptional items (as restated) | 481.69 | (12.85) | 112.84 | 97.66 | 122.95 |
| | | | | | |
| **Adjustments to reconcile profit / (loss) before tax to net cash flows** | | | | | |
| Depreciation and amortization | 103.81 | 97.54 | 81.67 | 56.36 | 64.69 |
| Loss on sale / write off of Property, Plant and Equipment (net) | 1.56 | 3.64 | 9.71 | 8.09 | 5.31 |
| Provision for doubtful debts and advances | 5.29 | 6.24 | 10.14 | 1.05 | 0.38 |
| Unrealised foreign exchange loss / (gain) (net) | 2.64 | (1.66) | (1.50) | (3.88) | 0.18 |
| Provision for litigation | 1.76 | - | 16.29 | - | - |
| Liabilities no longer required written back | (0.24) | (0.73) | (1.05) | (5.90) | (0.56) |
| Interest expense | 43.59 | 28.38 | 14.49 | 7.07 | 12.71 |
| Interest income | (37.74) | (42.24) | (32.14) | (31.78) | (39.66) |
| | | | | | |
| | | | | | |
| **Operating profit / (loss) before working capital changes (as restated)** | **602.36** | **78.32** | **210.45** | **128.67** | **166.00** |
| **Movement in working capital** | | | | | |
| (Increase) / decrease in Trade receivables | (7.89) | (14.99) | (4.83) | (2.48) | 8.35 |
| (Increase) / decrease in Long term loans and advances | (61.31) | 18.68 | 25.12 | 3.51 | (43.11) |
| (Increase) / decrease in Short term loans and advances | 70.66 | (17.62) | (37.68) | (14.51) | (10.34) |
| (Increase) / decrease in Inventories | - | - | 3.85 | (2.57) | (0.95) |
| (Increase) / decrease in Other current assets | (16.37) | (93.90) | (16.69) | (0.26) | 4.21 |
| Increase / (decrease) in Trade payables | (122.47) | 100.45 | (0.87) | 53.42 | (40.02) |
| Increase / (decrease) in Long / short term provisions | 7.33 | 6.66 | 23.84 | (24.92) | 7.03 |
| Increase / (decrease) in Other current liabilities | 49.28 | 134.54 | 20.93 | 69.17 | 39.37 |
| Increase / (decrease) in Other non-current liabilities | (8.30) | (0.56) | 11.23 | (0.10) | 0.19 |
| **Cash flow from operations** | **513.29** | **211.60** | **235.35** | **209.93** | **130.75** |
| Income taxes paid (net of refunds) | (17.51) | (6.80) | (2.93) | (8.72) | 5.65 |
| **Net cash generated from operating activities before exceptional items** | **495.78** | **204.80** | **232.42** | **201.21** | **136.38** |
| Cash flow from / (used in) Exceptional items | (354.59) | (279.95) | (149.08) | (153.06) | (31.67) |
| **Net cash generated from operating activities (A)** | **141.19** | **(75.15)** | **83.34** | **48.15** | **104.71** |

## Restated Consolidated Financial Information of Cash Flows (continued)

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES** | | | | | |
| Purchase of property, Plant and Equipment including intangible assets, and capital advances | (101.24) | (98.92) | (102.67) | (123.25) | (102.10) |
| Investment in redeemable preference shares | - | - | - | (50.00) | - |
| Redemption of redeemable preference shares | - | - | - | 50.84 | - |
| Proceeds from sale of Property, Plant and Equipment | 1.10 | 0.67 | 2.23 | 1.51 | 0.42 |
| Proceeds from sale of non-current investments / disposal of subsidiaries | - | - | 2.20 | - | 0.14 |
| Interest received | 32.49 | 41.07 | 17.84 | 28.38 | 37.34 |
| Investment in bank deposits (with maturity more than three months) (net) | 74.48 | 62.74 | (67.90) | (53.54) | 3.48 |
| **Net cash used in investing activities (B)** | **6.83** | **5.56** | **(148.30)** | **(146.06)** | **(60.72)** |
| | | | | | |
| **C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES** | | | | | |
| Proceeds from issue of share capital | 8.00 | - | 42.77 | - | - |
| Advance (given) / repaid (to) by enterprises in which directors are interested | | - | - | 211.25 | (211.25) |
| Proceeds / (repayment) from long-term borrowings (net) | (3.49) | (3.15) | 8.21 | - | - |
| Proceeds / (repayment) short-term borrowings (net) | (38.17) | 214.65 | 115.94 | (106.85) | 167.05 |
| Interest paid | (43.59) | (28.38) | (14.49) | (7.07) | (12.71) |
| **Net cash generated from / (used in) financing activities (C)** | **(77.25)** | **183.12** | **152.43** | **97.33** | **(56.91)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | **70.77** | **113.53** | **87.47** | **(0.58)** | **(12.92)** |
| Effect of exchange differences on Cash & Cash Equivalents held in foreign currency | - | 1.81 | 2.84 | 1.79 | 0.17 |
| Cash and Cash Equivalents at the beginning of the year | 228.07 | 112.73 | 22.42 | 21.21 | 34.91 |
| Cash and Cash Equivalents transferred pursuant to demerger | - | - | - | - | (0.95) |
| **Cash and cash equivalents at the end of the year** | **298.84** | **228.07** | **112.73** | **22.42** | **21.21** |

## Restated Consolidated Financial Information of Cash Flows (continued)

| Components of Cash and Cash Equivalents | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Cash on hand | 4.00 | 5.65 | 5.86 | 5.25 | 3.47 |
| Cheques on hand | 4.48 | 4.22 | 3.61 | 3.56 | 1.58 |
| Deposits with original maturity of less than three months | 240.00 | 161.00 | 30.00 | - | - |
| Balances with banks on current accounts | 50.36 | 57.20 | 73.26 | 13.61 | 16.16 |
| **Total** | **298.84** | **228.07** | **112.73** | **22.42** | **21.21** |

**Restated Unconsolidated Financial Information of Assets and Liabilities**

*(All amounts are in INR million unless otherwise stated)*

| | Particulars | As at | | | | |
|---|---|---|---|---|---|---|
| | | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| | **Equity and Liabilities** | | | | | |
| **A** | **Shareholders' funds** | | | | | |
| | Share capital | 106.21 | 91.93 | 91.93 | 59.38 | 59.38 |
| | Reserves and surplus | (118.03) | (337.06) | (106.03) | (70.81) | 11.57 |
| | | **(11.82)** | **(245.13)** | **(14.10)** | **(11.43)** | **70.95** |
| **B** | **Non-current liabilities** | | | | | |
| | Long-term borrowings | - | 1.56 | 5.02 | - | - |
| | Other long term liabilities | 2.39 | 10.74 | 34.78 | 52.40 | 0.21 |
| | Long term provisions | 19.51 | 16.18 | 12.84 | 10.50 | 8.09 |
| | | **21.90** | **28.48** | **52.64** | **62.90** | **8.30** |
| **C** | **Current liabilities** | | | | | |
| | Short-term borrowings | 443.76 | 481.93 | 267.27 | 148.13 | 254.98 |
| | Trade payables | | | | | |
| | Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | 160.64 | 298.24 | 208.42 | 209.62 | 182.40 |
| | Other current liabilities | 546.86 | 595.77 | 442.34 | 381.51 | 316.82 |
| | Short term provisions | 58.14 | 52.16 | 46.90 | 25.70 | 51.83 |
| | | **1,209.40** | **1,428.10** | **964.93** | **764.96** | **806.03** |
| | | | | | | |
| | **Total Equity and Liabilities (A+B+C)** | **1,219.48** | **1,211.45** | **1,003.47** | **816.43** | **885.28** |
| | | | | | | |
| | **Assets** | | | | | |
| **D** | **Non-current assets** | | | | | |
| | Fixed assets | | | | | |
| | Property, Plant and Equipment | 177.55 | 191.42 | 161.52 | 150.35 | 147.74 |
| | Intangible assets | 64.69 | 91.93 | 74.45 | 34.18 | 24.45 |
| | Intangible assets under Development | - | - | 2.64 | 43.13 | 2.22 |
| | Non-current Investments | 0.25 | 0.25 | 2.40 | 29.69 | 12.50 |
| | Long term loans and advances | 171.53 | 94.44 | 113.33 | 130.65 | 128.82 |
| | | **414.02** | **378.04** | **354.34** | **388.00** | **315.73** |
| **E** | **Current assets** | | | | | |
| | Current investments | - | 0.20 | - | - | - |
| | Trade receivables | 96.00 | 58.06 | 11.33 | 16.25 | 14.94 |
| | Cash and bank balances | 550.08 | 537.72 | 524.89 | 367.74 | 307.79 |
| | Short term loans and advances | 44.24 | 111.06 | 78.18 | 40.70 | 243.35 |
| | Other current assets | 115.14 | 126.37 | 34.73 | 3.74 | 3.47 |
| | | **805.46** | **833.41** | **649.13** | **428.43** | **569.55** |
| | | | | | | |
| | **Total Assets (D+E)** | **1,219.48** | **1,211.45** | **1,003.47** | **816.43** | **885.28** |

**Restated Unconsolidated Financial Information of Profits and Losses**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Income from operations** | | | | | |
| Revenue from operations | | | | | |
| Matchmaking services | 2,554.77 | 2,424.50 | 2,319.91 | 1,988.55 | 1,873.22 |
| Marriage services | 119.90 | 105.07 | 73.50 | 50.74 | 9.93 |
| Other income | 2.16 | 7.69 | 12.92 | 20.89 | 3.29 |
| **Total revenue** | **2,676.83** | **2,537.26** | **2,406.33** | **2,060.18** | **1,886.44** |
| | | | | | |
| **Expenses** | | | | | |
| Employee benefit expenses | 1,162.64 | 1,223.56 | 1,031.64 | 845.02 | 718.16 |
| Advertisement and business promotion expenses | 518.55 | 512.35 | 554.57 | 513.00 | 516.38 |
| Other expenses | 618.29 | 674.91 | 595.35 | 565.52 | 487.62 |
| **Total expenses** | **2,299.48** | **2,410.82** | **2,181.56** | **1,923.54** | **1,722.16** |
| | | | | | |
| **Restated earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)** | **377.35** | **126.44** | **224.77** | **136.64** | **164.28** |
| | | | | | |
| Depreciation and amortisation expense | 103.45 | 97.13 | 79.47 | 53.94 | 64.02 |
| | | | | | |
| Finance cost | 44.15 | 29.52 | 15.39 | 7.89 | 13.68 |
| | | | | | |
| Finance income | (39.43) | (42.32) | (33.28) | (31.78) | (39.66) |
| | | | | | |
| **Restated earnings before exceptional items and tax** | **269.18** | **42.11** | **163.19** | **106.59** | **126.24** |
| | | | | | |
| Less: Exceptional items | 43.87 | 273.14 | 207.84 | 188.97 | 31.65 |
| | | | | | |
| **Tax expense** | | | | | |
| Current tax | 15.00 | - | - | - | - |
| MAT Credit Entitlement | (15.00) | - | - | - | - |
| Deferred tax | - | - | - | - | - |
| **Total tax expense** | **-** | **-** | **-** | **-** | **-** |
| | | | | | |
| **Restated profit / (loss) after tax** | **225.31** | **(231.03)** | **(44.65)** | **(82.38)** | **94.59** |

**Restated Unconsolidated Financial Information of Cash Flows**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES** | | | | | |
| Restated profit before tax and exceptional items | 269.18 | 42.11 | 163.19 | 106.59 | 126.24 |
| | | | | | |
| **Adjustment to reconcile profit / (loss) before tax to net cash flows** | | | | | |
| Depreciation and amortisation | 103.45 | 97.13 | 79.47 | 53.94 | 64.02 |
| Loss on sale / write off of Property, Plant and Equipment (net) | 1.51 | 3.58 | 1.23 | 8.09 | 5.20 |
| Unrealised foreign exchange loss / (gain) | 3.34 | (0.66) | (0.84) | (3.51) | 0.27 |
| Provision for doubtful debts and advances | 5.29 | 6.17 | 0.26 | 1.05 | 0.38 |
| Provision for litigation | 1.76 | - | 16.29 | - | - |
| Liabilities no longer required written back | - | (0.73) | (1.05) | (5.90) | (0.56) |
| Interest expense | 43.59 | 28.38 | 14.49 | 7.07 | 12.69 |
| Interest income | (39.43) | (42.32) | (33.28) | (31.78) | (39.66) |
| | | | | | |
| **Operating profit / (loss) before working capital changes (as restated)** | **388.69** | **133.66** | **239.76** | **135.55** | **168.58** |
| **Movement in working capital** | | | | | |
| (Increase) / decrease in Trade receivables | (43.23) | (52.90) | 4.66 | (2.49) | 10.27 |
| (Increase) / decrease in Short term loans and advances | 66.82 | (33.96) | (72.04) | (8.89) | 2.97 |
| (Increase) / decrease in Long term loans and advances | (58.02) | 24.78 | 21.60 | 9.95 | (42.47) |
| (Increase) / decrease in Other current assets | (13.30) | (90.47) | (16.69) | (0.26) | 1.65 |
| Increase / (decrease) in Trade payables | (96.55) | 63.99 | 0.60 | 45.62 | (40.07) |
| Increase in Other current liabilities | 14.33 | 112.76 | 20.76 | 59.39 | 34.95 |
| Increase / (decrease) in Other non-current liabilities | (8.35) | (0.59) | 11.23 | (0.10) | 0.19 |
| Increase / (decrease) in Long / short term provisions | 7.55 | 8.61 | 23.53 | (23.63) | 6.26 |
| **Cash flow from operations** | **257.94** | **165.88** | **233.41** | **215.14** | **142.33** |
| Income taxes paid (net of refunds) | (19.07) | (4.80) | (4.28) | (8.38) | 3.42 |
| **Net cash generated from operating activities before exceptional items** | **238.87** | **161.08** | **229.13** | **206.76** | **145.75** |
| Cash flow from / (used in) Exceptional items | (85.48) | (212.53) | (149.09) | (150.07) | (31.66) |
| **Net cash generated from / (used in) operating activities (A)** | **153.39** | **(51.45)** | **80.04** | **56.69** | **114.09** |

**Restated Unconsolidated Financial Information of Cash Flows (continued)**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES** | | | | | |
| Purchase of property, Plant & Equipment including intangible assets and capital advances | (101.25) | (98.41) | (98.23) | (109.39) | (98.15) |
| Proceeds from sale of Property, Plant and Equipment | 0.93 | 0.43 | 0.86 | 1.51 | 0.42 |
| Investment in redeemable preference shares | - | - | - | (50.00) | - |
| Redemption of redeemable preference shares | - | - | - | 50.84 | - |
| Purchase of non-current investments | - | - | (1.95) | (17.20) | (11.65) |
| Investment in subsidiaries | (5.30) | (64.50) | - | - | - |
| Proceeds from disposal of non-current investments | 7.70 | - | 2.20 | - | 0.14 |
| Interest received | 34.14 | 41.15 | 18.98 | 28.38 | 36.18 |
| Investment in bank deposits (with maturity more than three months) (net) | 74.49 | 62.74 | (67.90) | (53.54) | 3.48 |
| **Net cash generated from / (used in) investing activities (B)** | **10.71** | **(58.59)** | **(146.04)** | **(149.40)** | **(69.58)** |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| | | | | | |
| **C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES** | | | | | |
| Proceeds from issue of equity share capital | 8.00 | - | 42.77 | - | - |
| Advance (given to) / repaid by enterprises in which directors are interested | - | - | - | 211.25 | (211.25) |
| Proceeds from / (Repayment of) long term borrowings | (3.49) | (3.16) | 8.21 | - | - |
| Proceeds from / (Repayment of) short term borrowings (net) | (38.17) | 214.66 | 115.94 | (106.85) | 167.05 |
| Interest paid | (43.59) | (28.38) | (14.49) | (7.07) | (12.69) |
| **Net cash generated from / (used in) financing activities (C)** | **(77.25)** | **183.12** | **152.43** | **97.33** | **(56.89)** |
| **Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)** | **86.85** | **73.08** | **86.43** | **4.62** | **(12.38)** |
| Effect of exchange differences on Cash & Cash Equivalents held in foreign currency | - | 2.49 | 2.83 | 1.79 | 0.17 |
| Cash and Cash Equivalents at the beginning of the year | 181.95 | 106.38 | 17.12 | 10.71 | 23.87 |
| Cash and Cash Equivalents transferred pursuant to demerger | - | - | - | - | (0.95) |
| **Cash and Cash equivalents at the end of the year** | **268.80** | **181.95** | **106.38** | **17.12** | **10.71** |

**Restated Unconsolidated Financial Information of Cash Flows (continued)**

***(All amounts are in INR million unless otherwise stated)***

| Components of Cash and Cash Equivalents | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Cash on hand | 4.00 | 5.64 | 5.66 | 4.91 | 3.33 |
| Cheques on hand | 4.48 | 4.22 | 3.61 | 3.55 | 1.58 |
| Deposits with original maturity of less than three months | 240.00 | 161.00 | 30.00 | - | - |
| Balances with banks on current account | 20.32 | 11.09 | 67.11 | 8.66 | 5.80 |
| **Total** | **268.80** | **181.95** | **106.38** | **17.12** | **10.71** |

**Qualifications and Adverse Remarks**

The Auditors have included qualifications with respect to certain matters in their reports on our audited financial statements as of and for the financial years provided below. These auditor qualifications do not require any corrective material adjustments in our Financial Statements. We provide below, these auditor qualifications as well as our Company's corrective steps, as applicable in connection with these remarks.

*Qualifications and remarks in reports on our unconsolidated financial statements*

| Qualification/ Adverse Remark | Corrective steps taken / responses by our Company |
|---|---|
| **Auditor's Report for the Financial year ended March 31, 2017**<br><br>The Company has provided requisite disclosures in Note 38 to these standalone financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more fully described in Note 38 to these standalone financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the company and produced to us for verification.<br><br>The aforesaid Note 38 to the standalone financial statements for the year ended March 31, 2017 has been reproduced in Note 11 of Annexure IV A to the Restated Unconsolidated Summary Statements. | Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, our Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in specified bank notes post November 8, 2016.<br><br>This disclosure has been compiled based on the information presently available from our Company's books of accounts and other records (including cash deposit challans to the extent available). Our Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by us during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. We had also sought further information from the bankers of the Company which is awaited as of the date of approval of these standalone financial statements. |
| **Annexure to auditor's report for the Financial year ended March 31, 2016**<br><br>Clause (vii)(a)<br><br>Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, customs duty, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases of service tax. Undisputed statutory dues relating to value added tax have not been regularly deposited with the authorities and there have been serious delays in large number of cases. The provisions relating to excise duty are not applicable to the Company. | Our Company has instituted a system to address such delays, which includes the tracking of due dates for payment of statutory dues, ensuring a daily check on payments due, monitoring of the payments made, and periodic training of the accounting staff on the various statutory requirements and due dates applicable to our Company. |
| **Annexure to auditor's report for the Financial year ended March 31, 2015**<br><br>Clause (viii)<br><br>The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company has incurred cash loss. | The losses incurred were in line with our strategy and business plans, which involves significant spending on marketing activities and infrastructure to expand our business, except for certain exceptional costs incurred on the US litigation. We have taken necessary steps to provide liquidity and raise additional funds, as and when required. |
| **Annexure to auditor's report for the Financial year ended March 31, 2014**<br><br>Clause (ix)(a)<br><br>Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with | Our Company has instituted a system to address such delays, which includes the tracking of due dates for payment of statutory dues, ensuring a daily check on payments due, monitoring of the payments made, and periodic training of the accounting staff on the various statutory requirements and due dates applicable to our Company.<br><br>The losses incurred were in line with our strategy and |

| Qualification/ Adverse Remark | Corrective steps taken / responses by our Company |
|---|---|
| the appropriate authorities though there has been a slight delay in a few cases of service tax. The provision relating to excise duty, investor education and protection fund and sales-tax are not applicable to the company.<br><br>Clause (x)<br><br>The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has incurred cash losses in the current year. In the immediately preceding financial year, the Company has not incurred cash loss. | business plans, which involves significant spending on marketing activities and infrastructure to expand our business, except for certain exceptional costs incurred on the US litigation. We have taken necessary steps to provide liquidity and raise additional funds, as and when required. |
| **Annexure to auditor's report for the Financial year ended March 31, 2013**<br><br>Clause (ix)(a)<br><br>Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of service tax. Statutory dues in respect of excise duty, investor education and protection fund and sales-tax are not applicable to the company. | Our Company has instituted a system to address such delays, which includes the tracking of due dates for payment of statutory dues, ensuring a daily check on payments due, monitoring of the payments made, and periodic training of the accounting staff on the various statutory requirements and due dates applicable to our Company. |
| Clause (x)<br><br>The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and it has not incurred cash losses in the current year and immediately preceding financial year. | The losses incurred were in line with our strategy and business plans, which involves significant spending on marketing activities and infrastructure to expand our business, except for certain exceptional costs incurred on the US litigation. We have taken necessary steps to provide liquidity and raise additional funds, as and when required. |

*Qualifications and remarks in reports on our consolidated financial statements*

| Qualification/ Adverse Remark | Corrective steps taken/ responses by our Company |
|---|---|
| **Auditor's Report for the Financial year ended March 31, 2017**<br><br>The Holding Company and its subsidiaries incorporated in India, have provided requisite disclosures in Note 34 to these consolidated financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more fully described in Note 34 to these consolidated financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the Group and produced to us for verification by the Management of the Holding Company.<br><br>The aforesaid Note 34 to the consolidated financial statements for the year ended March 31, 2017 has been reproduced in Note 12 of Annexure IV A to the Restated Consolidated Summary Statements. | Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, our Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in specified bank notes post November 8, 2016.<br><br>This disclosure has been compiled based on the information presently available from our Company's books of accounts and other records (including cash deposit challans to the extent available). Our Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by our Company during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. Our Company has also sought further information from the bankers of our Company which is awaited as of the date of approval of these consolidated financial statements. |
| **Annexure to auditor's report for the Financial year ended March 31, 2015** | |

| Qualification/ Adverse Remark | Corrective steps taken/ responses by our Company |
| --- | --- |
| Clause (viii)<br><br>The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company has incurred cash loss. | The losses incurred were in line with our strategy and business plans, which involves significant spending on marketing activities and infrastructure to expand our business, except for certain exceptional costs incurred on the US litigation. We have taken necessary steps to provide liquidity and raise additional funds, as and when required. |

## THE OFFER

The following table summarizes the Offer details:

| **Offer** | **Up to [●] Equity Shares aggregating up to ₹ [●] million** |
|---|---|
| *Of which:* | |
| | |
| Fresh Issue [(1)] | Up to [●] Equity Shares aggregating up to ₹ 1,300.00 million |
| | |
| Offer for Sale [(1)] | Up to 3,767,254 Equity Shares aggregating up to ₹ [●] million |
| | |
| By Bessemer India Capital Holdings II Ltd. | Up to 1,461,006 Equity Shares aggregating up to ₹ [●] million |
| By Mayfield XII, Mauritius | Up to 155,760 Equity Shares aggregating up to ₹ [●] million |
| By CMDB II | Up to 1,683,207 Equity Shares aggregating up to ₹ [●] million |
| By Murugavel Janakiraman (our Promoter) | Up to 384,447 Equity Shares aggregating up to ₹ [●] million |
| By Indrani Janakiraman (a member of our Promoter Group) | Up to 82,834 Equity Shares aggregating up to ₹ [●] million |
| | |
| Employee Reservation Portion[(2)] | Up to [●] Equity Shares aggregating up to ₹ 5.00 million |
| | |
| Net Offer | Up to [●] Equity Shares |
| | |
| *The Net Offer consists of:* | |
| | |
| **A. QIB Portion**[(2)] | At least [●] Equity Shares |
| *Of which:* | |
| Anchor Investor Portion* | Up to [●] Equity Shares |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares |
| *Of which:* | |
| Mutual Fund Portion | [●] Equity Shares |
| Balance for all QIBs including Mutual Funds | [●] Equity Shares |
| | |
| **B. Non-Institutional Portion**[(2)] | Not more than [●] Equity Shares |
| | |
| **C. Retail Portion**[(2)(3)] | Not more than [●] Equity Shares |
| | |
| **Pre and post-Offer Equity Shares** | |
| Equity Shares outstanding prior to the Offer, as on the date of this Draft Red Herring Prospectus | 21,259,801 Equity Shares |
| Equity Shares outstanding after the Offer | [●] Equity Shares |
| | |
| **Use of proceeds of this Offer** | See the section titled "*Objects of the Offer*" at page 112. Our Company will not receive any proceeds from the Offer for Sale. |

* *Our Company and the Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see section titled "Offer Procedure" at page 398.*

(1) The Fresh Issue has been authorized by a resolution of our Board dated April 21, 2017, and by a special resolution of our Shareholders at the EGM held on April 27, 2017. Bessemer India Capital Holdings II Ltd., Mayfield XII, Mauritius and CMDB II have obtained approvals for participation in the Offer for Sale pursuant to resolutions of their respective board of directors dated May 5, 2017, April 28, 2017 and May 4, 2017 respectively and have provided their consent to offer up to 1,461,006 Equity Shares, 155,760 Equity Shares and 1,683,207 Equity Shares, respectively. Murugavel Janakiraman (our Promoter) and Indrani Janakiraman (a member of our Promoter Group) have provided consent to offer up to 384,447 Equity Shares and 82,834 Equity Shares, respectively, in the Offer for Sale pursuant to their consent letters each dated May 4, 2017, respectively.

(2) Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up

to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000 (which shall be less the Employee Discount, if applicable). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR. Further, a Bidder bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids.

(3) The Selling Shareholders and our Company, in consultation with the BRLMs, may offer a discount of ₹ [●] on the Offer Price to the Retail Individual Bidders and the Eligible Employees bidding under the Employee Reservation Portion, respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published.

The Equity Shares offered in the Offer for Sale have been:

(a) held by the respective Selling Shareholders for a period of at least one year prior to the date of this Draft Red Herring Prospectus and/or;

(b) received on conversion of fully paid-up compulsorily convertible shares of our Company and the continuous period of holding of the fully paid-up compulsorily convertible shares of our Company along with the resultant Equity Shares offered in the Offer for Sale is at least one year preceding the date of this Draft Red Herring Prospectus and/or;

(c) issued under a bonus issue (out of free reserves and/or share premium existing as at the end of the previous Financial Year and were not issued by utilization of revaluation reserves or unrealised profits of our Company) on Equity Shares held for a period of at least one year preceding the date of the Draft Red Herring Prospectus,

and hence, are eligible for being offered for sale in the Offer.

For details including in relation to grounds for rejection of Bids, refer to the "*Offer Procedure- Grounds for Technical Rejections*" on page 409. For details of the terms of the Offer, see "*Terms of the Offer*" on page 388.

## GENERAL INFORMATION

Our Company was incorporated as "Matrimony Services.com Private Limited", a private limited company under the Companies Act, 1956 on July 13, 2001, at Chennai, Tamil Nadu. The name of our Company was subsequently changed to "Bharatmatrimony.com Private Limited" pursuant to a resolution passed by the shareholders of our Company on December 5, 2003. The fresh certificate of incorporation consequent to change of name was issued by the RoC on December 15, 2003. The name of our Company was further changed to "Consim Info Private Limited" pursuant to a special resolution of the shareholders of our Company dated August 30, 2007 and a fresh certificate of incorporation was issued by the RoC on September 27, 2007. Subsequently, the name of our Company was changed to "Matrimony.com Private Limited" pursuant to a special resolution of the shareholders of our Company dated July 27, 2012 and a fresh certificate of incorporation was issued by the RoC on August 17, 2012. Subsequently, upon conversion to a public company pursuant to a special resolution of the shareholders of our Company dated December 2, 2014, the name of our Company was changed to "Matrimony.com Limited and a fresh certificate of incorporation was issued by the RoC on January 2, 2015.

**Registered Office and Corporate Office**

TVH Beliciaa Towers, Tower II
10th Floor, No. 94, MRC Nagar
Mandaveli, Chennai - 600028
Telephone: +91 44 2463 1500
Facsimile: +91 44 2463 1777
Website: www.matrimony.com
Registration Number: 047432
Corporate Identity Number: U63090TN2001PLC047432

For more information in relation to changes in our registered office, see the section titled "*History and Certain Corporate Matters – Changes in the Registered Office of our Company*" on page 164.

**Address of the Registrar of Companies**

Our Company is registered with the Registrar of Companies, Tamil Nadu, located at the following address:

**The Registrar of Companies**
Block No.6, B Wing 2nd Floor
Shastri Bhawan 26, Haddows Road
Chennai – 600034
Telephone: +91 44 2827 0071
Facsimile: +91 44 2823 4298

**Board of Directors**

The Board of our Company comprises the following Directors as on the date of this Draft Red Herring Prospectus:

| Name, Designation and Occupation | Age (years) | DIN | Address |
|---|---|---|---|
| **Chinni Krishnan Ranganathan**<br><br>Designation: Non-executive Chairman and independent Director<br><br>Occupation: Business | 57 | 00550501 | Plot no. 58/5, Dr. Seshadri Avenue, Injambakkam, Chennai, Tamil Nadu, India 600041 |
| **Murugavel Janakiraman**<br><br>Designation: Managing Director<br><br>Occupation: Business | 46 | 00605009 | No.154, Meridian Heights, Door no. 502, Peters Road, Royapettah, Chennai, Tamil Nadu, India 600014 |

| Name, Designation and Occupation | Age (years) | DIN | Address |
|---|---|---|---|
| **Deepa Murugavel**<br><br>Designation: Non-executive Director<br><br>Occupation: Business | 39 | 00725522 | No.154, Meridian Heights, Door no.502, Peters Road, Royapettah, Chennai, Tamil Nadu, India 600014 |
| **Nikhil Nirvan Khattau**<br><br>Designation: Nominee non-executive Director<br><br>Occupation: Professional | 54 | 00017880 | 2, Residence, Le Sable Bleu, Butte a l'herbe, Calodyne, Mauritius |
| **Vishal Vijay Gupta**<br><br>Designation: Nominee non-executive Director<br><br>Occupation: Professional | 39 | 01913013 | #15 & 16, D Block, Binny Crescent Apartments Nandidurga Road, Benson Town Bangalore Karnataka, India 560046 |
| **Avneet Singh Kochar**<br><br>Designation: Nominee non-executive Director<br><br>Occupation: Professional | 41 | 02415196 | 234 AWHO, Piru Puram Ambabari, Jaipur, Rajasthan, India 302012 |
| **George Zacharias**<br><br>Designation: Non-executive independent Director<br><br>Occupation: Professional | 58 | 00162570 | 4C 301, 4th Cross, 3rd Main HRBR 3rd Block Kalyan Nagar, Bangalore, Karnataka, India 560043 |
| **Milind Shripad Sarwate**<br><br>Designation: Non-executive independent Director<br><br>Occupation: Professional | 57 | 00109854 | E-201/202, Sita Vihar, Near Damani Estate, L.B.S. Marg, Naupada, Thane, Maharashtra India 400602 |

For further details and brief profiles of our Directors, see the section titled "*Our Management- Brief Biographies*" at page 178.

**Company Secretary and Compliance Officer**

S. Vijayanand is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

TVH Beliciaa Towers, Tower II
10th Floor, No. 94, MRC Nagar
Mandaveli, Chennai - 600028
Telephone: +91 44 2463 1613
Facsimile: +91 44 2463 1777
E-mail: investors@matrimony.com

Bidders can contact the Company Secretary and Compliance Officer and the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc.

For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All grievances relating to the ASBA process must be addressed to the Registrar to the Offer with a copy to the concerned Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name and address of the sole or first Bidder, ASBA Form number, date of the ASBA Form, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number, Bidders' DP ID, Client ID, PAN and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

All grievances of the Anchor Investors must be addressed to the Registrar to the Offer, with a copy to the concerned Designated Intermediary with whom the Anchor Investor Application Form was submitted, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidder DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Designated Intermediary where the Anchor Investor Application Form was submitted by the Anchor Investor.

All grievances in relation to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries while contacting any of the aforementioned intermediaries.

**Chief Financial Officer**

K Balasubramanian is the Chief Financial Officer of our Company. His contact details are as follows:

TVH Beliciaa Towers, Tower II
10th Floor, No. 94, MRC Nagar
Mandaveli, Chennai - 600028
Telephone: +91 44 2463 1500
Facsimile: +91 44 2463 1777
E-mail: cfo@matrimony.com

| **Book Running Lead Managers** | |
|---|---|
| **Axis Capital Limited**<br>1st floor, Axis House<br>C-2, Wadia International Centre<br>P.B. Marg, Worli<br>Mumbai 400 025<br>Tel.: +91 22 4325 2183<br>Fax: +91 22 4325 3000<br>E-mail: matrimony@axiscap.in<br>Investor grievance e-mail: complaints@axiscap.in<br>Website: www.axiscapital.co.in<br>Contact Person: Simran Gadh<br>SEBI Registration No.: INM000012029 | **ICICI Securities Limited**<br>ICICI Centre, H.T. Parekh Marg<br>Churchgate, Mumbai 400 020<br>Tel.: +91 22 2288 2460<br>Fax: +91 22 2282 6580<br>Email: matrimony.ipo@icicisecurities.com<br>Investor grievance e-mail:<br>customercare@icicisecurities.com<br>Website: www.icicisecurities.com<br>Contact Person: Arjun A. Mehrotra/ Anurag Byas<br>Website: www.icicisecurities.com<br>SEBI Registration No.: INM000011179 |

| **Syndicate Members** |
|---|
| **[●]** |
| **Legal Counsel to our Company as to Indian Law** |
| **Luthra & Luthra Law Offices**<br>1st and 9th Floor, Ashoka Estate<br>Barakhamba Road<br>New Delhi 110 001<br>Telephone: +91 11 4121 5100<br>Facsimile: +91 11 2372 3909 |

| **Legal Counsel to the BRLMs as to Indian Law** |
|---|
| **S&R Associates** |

One Indiabulls Centre, 1403 Tower 2 B
841 Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Telephone: +91 22 4302 8000
Facsimile: +91 22 4302 8001

**International Legal Counsel to the BRLMs**

**Shearman & Sterling LLP**
12th Floor, Gloucester Tower
The Landmark
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**Legal Counsel to the Investor Selling Shareholders as to Indian Law**

**Khaitan & Co**
Simal, 2nd Floor
7/1 Ulsoor Road
Bengaluru 560 042
Tel: +91 80 4339 7000
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**Registrar to the Offer**

**Karvy Computershare Private Limited**
Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Telephone: +91 40 6716 2222
Facsimile: +91 40 2343 1551
Email ID: einward.ris@karvy.com
Website: www.karisma.karvy.com
Investor Grievance ID: matrimony.ipo@karvy.com
Contact Person : M. Murali Krishna
Toll free no: 1800 3454 001
SEBI Registration No.: INR000000221

**Bankers to the Offer and/or Escrow Collection Banks**

[●]

**Refund Banker(s)**

[●]

### Self Certified Syndicate Banks

The list of SCSBs is available on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms, is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form is provided on the website of SEBI at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries and updated from time to time or at such other website as may be prescribed by SEBI from time to time.

### Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

### Registrar to the Offer and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

### Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

| **Statutory Auditor to our Company** |
| --- |
| **S. R. Batliboi & Associates LLP**<br>6th & 7th Floor – "A" Block<br>Tidel Park, (Module 601-602, 701-702)<br>No.4, Rajiv Gandhi Salai, Taramani<br>Chennai – 600 113<br>Telephone: + 91 44 6654 8100<br>Facsimile: +91 44 2254 0120<br>Email: SRBA@in.ey.com<br>Registration Number: 101049W / E300004 |

| **Bankers to our Company** |
| --- |
| **HDFC Bank Limited**<br>No. 99, Senans Square, Santhome High Road<br>Santhome, Chennai – 600 028<br>Contact Person: Surya Prakash<br>Telephone: + 91 93804 92750<br>Email: surya.prakash@hdfcbank.com<br>Website: www.hdfcbank.com |

### Monitoring Agency

As on the date of this DRHP, we are not required to appoint a monitoring agency under Regulation 16(1) of the SEBI Regulations since the size of the Fresh Issue does not exceed ₹ 5,000 million. If required, our Company will appoint a monitoring agency in relation to the Fresh Issue prior to the filing of the Red Herring Prospectus.

### Expert

Except as stated below, our Company has not obtained any other expert opinions:

Our Company has received written consent from the Statutory Auditor to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements, each dated April 29, 2017 and the statement of tax benefits dated May 1, 2017 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

**Project Appraisal**

The objects of this Offer have not been appraised.

**Credit Rating**

As this is an offer of equity shares, credit rating is not required.

**Trustees**

As this is an offer of equity shares, the appointment of trustees is not required.

**IPO Grading of the Offer**

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

**Statement of inter-se allocation of responsibilities of the BRLMs**

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

| S. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| 1. | Pre-offer due diligence of our Company's operations/ management/ business plans/ legal. Drafting and designing of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements. | Axis Capital, ICICI Securities | Axis Capital |
| 2. | Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments. | Axis Capital, ICICI Securities | Axis Capital |
| 3. | Appointment of Banker(s) to the Offer and printer | Axis Capital, ICICI Securities | Axis Capital |
| 4. | Appointment of advertising agency including co-ordination for agreements to appoint the ad agency and filing of media compliance report to SEBI. | Axis Capital, ICICI Securities | ICICI Securities |
| 5. | Appointment of Registrar to the Offer including co-ordination for agreements to appoint the Registrar to the Offer | Axis Capital, ICICI Securities | ICICI Securities |
| 6. | Appointment of Monitoring Agency to the Offer including co-ordination for agreements to appoint the Monitoring Agency to the Offer | Axis Capital, ICICI Securities | ICICI Securities |
| 7. | Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure | Axis Capital, ICICI Securities | ICICI Securities |
| 8. | International institutional marketing including co-ordination for research briefing, allocation of investors for meetings and finalize roadshow schedules, preparation and finalisation of the road-show presentation and frequently asked questions. | Axis Capital, ICICI Securities | ICICI Securities |
| 9. | Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalizing road show schedules | Axis Capital, ICICI Securities | Axis Capital |
| 10. | Non-Institutional marketing of the Offer and retail marketing of the Offer, which will cover, inter alia:<br>• Formulating marketing strategies;<br>• preparation of publicity budget, finalizing media and public relations strategy.<br>• Finalizing centres for holding conferences for brokers<br>• Finalizing collection centres; and<br>• Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material. | Axis Capital, ICICI Securities | Axis Capital |
| 11. | Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor | Axis Capital, ICICI Securities | ICICI Securities |

| S. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| | investor intimation, and payment of 1% security deposit to the designated stock exchange | | |
| 12. | Pricing and managing the book | Axis Capital, ICICI Securities | ICICI Securities |
| 13. | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc.<br><br>Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.<br><br>Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance(No. 2) Act, 2004<br><br>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI | Axis Capital, ICICI Securities | ICICI Securities |

**Book Building Process**

"Book building" refers to the process of collection of Bids from investors on the basis of this Draft Red Herring Prospectus, the Bid-cum-Application Forms and Revision Forms. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the Selling Shareholders;
(3) BRLMs;
(4) Syndicate Members;
(5) Registered Brokers;
(6) Registrar to the Offer;
(7) Escrow Collection Banks; and
(8) SCSBs;
(9) CDPs; and
(10) RTAs.

This Offer is being made through the Book Building Process, wherein at least 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis.

Our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price in accordance with the SEBI Regulations, out of which at least one-third will be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 million. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion (other than the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. In the event that the aggregate demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith.

Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price, such that subject to availability of Equity Shares, each Retail Individual Bidder shall be allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. Further, [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription in any category, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories. Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

**All investors, other than Anchor Investors, shall participate through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs.**

**Allocation to QIBs in the Net QIB Portion will be on a proportionate basis. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders cannot revise or withdraw their Bids after the Bid Closing Date.** For further details, see sections titled "*Offer Structure*" and "*Offer Procedure*" on pages 392 and 398, respectively.

Our Company and the Selling Shareholders will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage this Offer and procure subscriptions to this Offer.

**The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

**Steps to be taken by the Bidders for Bidding:**

- Check eligibility for making a Bid. Specific attention of Bidders is invited to see section titled "*Offer Procedure*" on page 398;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

- Except for bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the state of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form (see section titled "*Offer Procedure*" on page 398). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of the transaction;
- All Bids (except Anchor Investors) can be submitted only through the ASBA process;
- Ensure the correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation ("**Demographic Details**"), given in the Bid cum Application Form, with the details recorded with your Depository Participant;
- Ensure the correctness of your PAN, DP ID and Client ID given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc;
- ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Designated Intermediaries. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid cum Application Form is not rejected; and
- Anchor Investors may submit their Bids with the BRLMs only.

For further details, see section titled "*Offer Procedure*" on page 398.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

**Illustration of Book Building Process and the Price Discovery Process**

*(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer and does not illustrate bidding by Anchor Investors)*

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

| Bid Quantity | Bid Price (₹) | Cumulative Quantity | Subscription |
|---:|---:|---:|---:|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to offer the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company, and the Selling Shareholders in consultation with the BRLMs, will finalise the offer price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the offer price and cut-off price are valid bids and are considered for allocation in the respective categories.

**Underwriting Agreement**

After the determination of the Offer Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the Book Running Lead Managers shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)*

| **Details of the Underwriters** | **Indicated Number of Equity Shares to be Underwritten** | **Amount Underwritten (In ₹ million)** |
|---|---|---|
| [●] | [●] | [●] |
| [●] | [●] | [●] |
| **Total** | [●] | [●] |

*The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalization of the 'Basis of Allotment'.*

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them, in accordance with the Underwriting Agreement.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Offer (except for ASBA Bids procured by any member of the Syndicate). The Underwriting Agreement shall list out the role and obligations of each Syndicate Member, and *inter alia* contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the investors at the time of Bidding.

## CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, before and after the Offer, is set forth below:

*(In ₹, except share data)*

| | | Aggregate nominal value | Aggregate value at Offer Price |
|---|---|---|---|
| A) | **AUTHORISED SHARE CAPITAL [(a)]** | | |
| | 36,000,000 Equity Shares | 180,000,000 | |
| | 4,200,000 Preference Shares | 21,000,000 | |
| B) | **ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER** | | |
| | 21,259,801 Equity Shares | 106,299,005 | |
| C) | **PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS** | | |
| | Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,300.00 million[(b)] | [●] | [●] |
| | | | |
| | Offer for Sale of up to 3,767,254 Equity Shares aggregating up to ₹ [●] million [(c)] | [●] | [●] |
| | | | |
| | Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ 5.00 million. | [●] | [●] |
| | | | |
| | Net Offer of up to [●] Equity Shares | [●] | [●] |
| | | | |
| D) | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER** | | |
| | [●] Equity Shares | | [●] |
| E) | **SECURITIES PREMIUM ACCOUNT[(1)]** | | |
| | Before the Offer (₹ million) | | 17.56 |
| | After the Offer* | | [●] |

** The securities premium account will be determined after completion of the book building process and determination of the Offer Price.*

***Our Company and Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB Portion, consisting of [●] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. For more information see "Offer Procedure" on page 398.*

(1) The High Court of Madras by an order dated November 19, 2013 sanctioned the reduction of the securities premium account of our Company from ₹ 936,677,437 to ₹ 11,285,829. The amount of ₹ 925.40 million reduced from the securities premium account was utilised towards writing off/ neutralizing the book losses of our Company during the year ended March 31, 2013.

(a) Provided below are details of changes in our authorised share capital since incorporation:

| S No. | Date of change/ AGM/ EGM resolution | Change in authorised capital |
|---|---|---|
| 1. | December 5, 2003 | The initial authorized share capital of ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10.00 each was increased to ₹ 5,000,000 divided into 500,000 equity shares of ₹ 10.00 each. |
| 2. | June 16, 2006 | The authorized share capital of our Company was altered by way of subdivision to ₹5,000,000 divided into 5,000,000 equity shares of ₹ 1.00 each, whereby one equity share of ₹10.00 each was sub-divided into ten equity shares of ₹ 1.00 each. |
| 3. | July 27, 2006 | The authorized share capital of ₹ 5,000,000 divided into 5,000,000 equity shares of ₹ 1.00 each was increased to ₹ 5,400,000 divided into 5,000,000 equity shares of ₹ 1.00 each and 400,000 preference shares of ₹ 1.00 each. |
| 4. | January 7, 2012 | The authorized share capital of ₹ 5,400,000 divided into 5,000,000 equity shares of ₹ 1.00 each and 400,000 preference shares of ₹ 1.00 each was increased to ₹ 141,000,000 divided into 120,000,000 equity shares of ₹ 1.00 each and 21,000,000 preference shares of ₹ 1.00 each. |

| S No. | Date of change/ AGM/ EGM resolution | Change in authorised capital |
|---|---|---|
| 5. | January 23, 2012 | The authorized share capital of our Company was altered by way of consolidation to ₹ 141,000,000 divided into 40,000,000 equity shares of ₹ 3.00 each and 7,000,000 preference shares of ₹ 3.00 each, whereby three equity shares of ₹ 1.00 each were consolidated into one equity share of ₹ 3.00 each and three preference shares of ₹ 1.00 each were consolidated into one preference share of ₹ 3.00 each. |
| 6. | December 31, 2014 | The authorized share capital of ₹ 141,000,000 divided into 4,00,00,000 equity shares of ₹ 3.00 each and 7,000,000 preference shares of ₹ 3.00 each was increased to ₹ 201,000,000 divided into 60,000,000 equity shares of ₹ 3.00 each and 7,000,000 preference shares of ₹ 3.00 each. |
| 7. | August 5, 2015 (effective from August 7, 2015) | The authorized share capital of our Company was altered by way of consolidation to ₹ 201,000,000 divided into 36,000,000 Equity Shares and 4,200,000 Preference Shares whereby five equity shares of ₹ 3.00 each were consolidated into three equity shares of ₹ 5.00 each and five preference shares of ₹ 3.00 each were consolidated into three preference shares of ₹ 5.00 each. |

(b) The Fresh Issue has been authorized by a resolution of our Board dated April 21, 2017, and by a special resolution of our Shareholders at the EGM held on April 27, 2017.

(c) Bessemer India Capital Holdings II Ltd., Mayfield XII, Mauritius and CMDB II have obtained approvals for participation in the Offer for Sale pursuant to resolutions of their board of directors dated May 5, 2017, April 28, 2017 and May 4, 2017 respectively and have provided their consent to offer up to 1,461,006 Equity Shares, 155,760 Equity Shares and 1,683,207 Equity Shares, respectively. Murugavel Janakiraman and Indrani Janakiraman have provided consent to offer up to 384,447 Equity Shares and 82,834 Equity Shares, respectively, in the Offer for Sale pursuant to their consent letters each dated May 4, 2017.

The Equity Shares offered in the Offer for Sale have been:

(a) held by the respective Selling Shareholders for a period of at least one year prior to the date of this Draft Red Herring Prospectus; and/or

(b) received on conversion of fully paid-up compulsorily convertible shares of our Company and the continuous period of holding of the fully paid-up compulsorily convertible shares of our Company along with the resultant Equity Shares offered in the Offer for Sale is at least one year preceding the date of this Draft Red Herring Prospectus; and/or

(c) issued under a bonus issue (out of free reserves and/or share premium existing as at the end of the previous Financial Year and were not issued by utilization of revaluation reserves or unrealised profits of our Company) on Equity Shares held for a period of at least one year preceding the date of the Draft Red Herring Prospectus,

and hence, are eligible for being offered for sale in the Offer.

**Notes to the Capital Structure**

1. **Share Capital History**

***(a) History of share capital of our Company***

The following table sets forth the history of the equity share capital of our Company:

| Date of allotment | Number of equity shares | Face value (₹) | Issue price (₹) | Nature of consideration | Reasons/nature of allotment | Cumulative number of equity shares | Cumulative paid up equity share capital (₹) |
|---|---|---|---|---|---|---|---|
| July 14, 2001 | 10,000 | 10.00 | 10.00 | Cash(1) | Subscription to the MoA(1) | 10,000 | 100,000.00 |

| Date of allotment | Number of equity shares | Face value (₹) | Issue price (₹) | Nature of consideration | Reasons/nature of allotment | Cumulative number of equity shares | Cumulative paid up equity share capital (₹) |
|---|---|---|---|---|---|---|---|
| March 23, 2002 | 32,900 | 10.00 | 10.00 | Cash | Preferential allotment [2] | 42,900 | 429,000.00 |
| Pursuant to a shareholders' resolution dated June 16, 2006, one equity share of face value ₹ 10.00 each was split into ten equity shares of ₹ 1.00 each. Accordingly, 42,900 equity shares of ₹ 10.00 each were sub-divided into 429,000 equity shares of ₹ 1.00 each. | | | | | | | |
| July 17, 2006* | 1,000 | 1.00 | 525.79 | Cash | Preferential allotment [3] | 430,000 | 430,000.00 |
| September 28, 2011** | 87,832 | 1.00 | - | Other than cash | Conversion of optionally convertible preference shares of ₹ 1.00 each [4] | 517,832 | 517,832.00 |
| January 10, 2012 | 39,873,064 | 1.00 | - | Other than cash [5] | Bonus issue of 77 equity shares of ₹ 1.00 each for every one equity share of ₹ 1.00 held [5] | 40,390,896 | 40,390,896.00 |
| Pursuant to a shareholders' resolution dated January 23, 2012, three equity shares of face value ₹ 1.00 each were consolidated into one Equity Share of ₹ 3.00 each. Accordingly, 40,390,896 equity shares of ₹ 1.00 each were consolidated to 13,463,632 Equity Shares of ₹ 3.00 each. | | | | | | | |
| November 26, 2014 | 1,254 | 3.00 | - | Other than cash | Conversion of optionally convertible preference shares of ₹ 3.00 each [6] | 13,464,886 | 40,394,658.00 |
| | 109,948 | 3.00 | - | Other than cash | Conversion of compulsorily convertible preference shares of ₹ 3.00 each [7] | 13,574,834 | 40,724,502.00 |
| December 30, 2014 | 49,783 | 3.00 | 760.00 | Cash | Preferential allotment [8] | 13,624,617 | 40,873,851.00 |
| | 42,068 | 3.00 | 58.65 | Cash | Allotment against exercise of options granted under the ESOP Scheme [9] | 13,666,685 | 41,000,055.00 |
| | 164,918 | 3.00 | - | Other than cash | Conversion of compulsorily convertible preference shares of ₹ 3.00 each [10] | 13,831,603 | 41,494,809.00 |
| December 31, 2014 | 2,489,688 | 3.00 | - | Other than cash | Bonus issue of 18 equity shares of ₹ 3.00 each for every 100 equity shares of ₹ 3.00 each held [11] | 16,321,291 | 48,963,873.00 |
| January 27, 2015 | 8,160,647 | 3.00 | - | Other than cash | Bonus issue of one equity share of ₹ 3.00 each for every two equity shares of ₹ 3.00 each held [12] | 24,481,938 | 73,445,814.00 |
| February 5, 2015 | 74,460 | 3.00 | 33.14 | Cash | Allotment against exercise of options granted under the ESOP Scheme [13] | 24,556,398 | 73,669,194.00 |
| March 16, 2015 | 74,028 | 3.00 | - | Other than cash | Conversion of optionally | 24,630,426 | 73,891,278.00 |

| Date of allotment | Number of equity shares | Face value (₹) | Issue price (₹) | Nature of consideration | Reasons/nature of allotment | Cumulative number of equity shares | Cumulative paid up equity share capital (₹) |
|---|---|---|---|---|---|---|---|
| | | | | | convertible preference shares of ₹ 3.00 each (14) | | |
| Pursuant to a shareholders' resolution dated August 5, 2015, five equity shares of face value ₹ 3.00 each were consolidated into three Equity Shares of face value ₹ 5.00 each. Accordingly, 24,630,426 equity shares of face value ₹ 3.00 each were consolidated to 14,778,256 Equity Shares. Fractional Equity Shares aggregating up to a total of 12 Equity Shares arising out of the consolidation are held by Murugavel Janakiraman solely on behalf of and for the economic benefit of holders*** of such fractional shares and the net proceeds out of the sale of such fractional Equity Shares shall be distributed amongst the shareholders in proportion to their entitlement over such fractional Equity Shares. | | | | | | | |
| ***Issue of Equity Shares in the last two years preceding the date of this Draft Red Herring Prospectus*** | | | | | | | |
| June 14, 2016 | 60,030 | 5.00 | 103.00 | Cash | Allotment against exercise of options granted under the ESOP Scheme (15) | 14,838,286 | 74,191,340 |
| June 30, 2016 | 11,520 | 5.00 | 103.00 | Cash | Allotment against exercise of options granted under the ESOP Scheme (16) | 14,849,806 | 74,249,030 |
| August 10, 2016 | 6,385,672 | 5.00 | - | Other than cash | Conversion of compulsorily convertible preference shares of ₹ 5.00 each (17) | 21,235,478 | 106,177,390 |
| September 02, 2016 | 6,113 | 5.00 | 103.00 | Cash | Allotment against exercise of options granted under the ESOP Scheme (18) | 21,241,591 | 106,207,955 |
| April 21, 2017 | 16,010 | 5.00 | 103.00 | Cash | Allotment against exercise of options granted under the ESOP Scheme (19) | 21,257,601 | 106,288,005 |
| April 21, 2017 | 2,200 | 5.00 | 350.00 | Cash | Allotment against exercise of options granted under the ESOP Scheme (20) | 21,259,801 | 106,299,005 |

* *The form filing made by our Company with the RoC in relation to this allotment is not available. See "Risk Factors- Certain documents in relation to an allotment of Equity Shares made by us and in relation to certain pending legal proceedings involving our Company are not traceable." on page 36.*

** *The date of allotment of in the filing made by the Company with the RoC and the Shareholders' Agreement are different. See "Risk Factors- Certain documents in relation to an allotment of Equity Shares made by us and in relation to certain pending legal proceedings involving our Company are not traceable." on page 36.*

*** *The holders of fractional shares are Murugavel Janakiraman, Indrani Janakiraman, Deepa Murugavel, Ravi Janakiraman, CMDB II, Mayfield XII, Mauritius, Bessemer Venture Partners Trust, Draper Investment Company LLC, The Hartenbaum Revocable Trust U/A/D 02/03/06, Taru Mayur, Vibha Srisrimal, Loyal Textile Mills Limited, Sriram Subramanya, B. Srinivasan, Milind Shripad Sarwate jointly with Madhumita Milind Sarwate, GR Ananthapadmanabhan, GR Radhakrishnan, G Rajendran, Xerago E Biz Services Private Limited, Ramesh Shastri jointly with Nagarathna Shastri, N. Lakshminarayanan, Gopal Srinivasan, E. Parasuraman and T. Sivakumar.*

(1) *Initial subscription to the MoA by C. Shankar (5,000 equity shares of ₹ 10.00 each) and C. Samundeeswari (5,000 equity shares of ₹ 10.00 each).*

(2) *Murugavel Janakiraman was allotted 32,600 equity shares of ₹ 10.00 each, S. Janakiraman was allotted 150 equity shares of ₹ 10.00 each and Indrani Janakiraman was allotted 150 equity shares of ₹ 10.00 each.*

(3) *Murugavel Janakiraman was allotted 1,000 equity shares of ₹ 1.00 each*

(4) *Yahoo! Netherlands BV was allotted 87,832 equity shares of ₹ 1.00 each pursuant to conversion of 87,832 optionally convertible preference shares of ₹ 1.00 each.*

*(5) Murugavel Janakiraman was allotted 32,879,000 equity shares of ₹1.00 each, Indrani Janakiraman was allotted 231,000 equity shares of ₹1.00 each, Canaan VII Mauritius was allotted 1,059,058 equity shares of ₹1.00 each, Mayfield XII, Mauritius was allotted 2,118,193 equity shares of ₹1.00 each and Bessemer India Capital Holdings II Ltd. was allotted 3,585,813 equity shares of ₹1.00 each.*

*(6) Draper Investment Company LLC was allotted 1,003 equity shares of ₹3.00 each and The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 251 equity shares of ₹3.00 each each pursuant to conversion of 1,254 optionally convertible preference shares of ₹3.00 each.*

*(7) Draper Investment Company LLC was allotted 87,943 equity shares of ₹3.00 each and The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 22,005 equity shares of ₹3.00 each each pursuant to conversion of 109,948 compulsorily convertible preference shares of ₹ 3.00 each.*

*(8) Murugavel Janakiraman was allotted 16,098 equity shares of ₹3.00 each, Canaan VII Mauritius was allotted 6,885 equity shares of ₹3.00 each, Mayfield XII, Mauritius was allotted 6,700 equity shares of ₹3.00 each, Bessemer Venture Partners Trust was allotted 6,700 equity shares of ₹3.00 each, Draper Investment Company LLC was allotted 6,700 equity shares of ₹3.00 each and The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 6,700 equity shares of ₹3.00 each.*

*(9) George Zacharias was allotted 42,068 equity shares of ₹3.00 each.*

*(10) Bessemer India Capital Holdings II Ltd. was allotted 164,918 equity shares of ₹3.00 each pursuant to conversion of 164,918 compulsorily convertible preference shares of ₹3.00 each.*

*(11) Murugavel Janakiraman was allotted 2,001,258 equity shares of ₹3.00 each, Indrani Janakiraman was allotted 14,040 equity shares of ₹ 3.00 each, Canaan VII Mauritius was allotted 65,608 equity shares of ₹3.00 each, Mayfield XII, Mauritius was allotted 129,948 equity shares of ₹3.00 each, Bessemer India Capital Holdings II Ltd. was allotted 247,628 equity shares of ₹3.00 each, Bessemer Venture Partners Trust was allotted 1,206 equity shares of ₹3.00 each, Draper Investment Company LLC was allotted 17,216 equity shares of ₹ 3.00 each, The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 5,212 equity shares of ₹3.00 each and George Zacharias was allotted 7,572 equity shares of ₹3.00 each.*

*(12) Murugavel Janakiraman was allotted 6,559,678 equity shares of ₹3.00 each, Indrani Janakiraman was allotted 46,019 equity shares of ₹ 3.00 each, Deepa Murugavel was allotted 1 equity share of ₹3.00 each, Ravi Janakiraman was allotted 1 equity share of ₹3.00 each, Canaan VII Mauritius was allotted 215,049 equity shares of ₹3.00 each, Mayfield XII, Mauritius was allotted 425,941 equity shares of ₹ 3.00 each, Bessemer India Capital Holdings II Ltd. was allotted 811,670 equity shares of ₹3.00 each, Bessemer Venture Partners Trust was allotted 3,953 equity shares of ₹3.00 each, Draper Investment Company LLC was allotted 56,431 equity shares of ₹3.00 each, The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 17,084 equity shares of ₹3.00 each and George Zacharias was allotted 24,820 equity shares of ₹3.00 each.*

*(13) K.B. Chandrasekar was allotted 74,460 equity shares of ₹3.00 each.*

*(14) Canaan VII Mauritius was allotted 74,028 equity shares of ₹3.00 each pursuant to conversion of 41,824 optionally convertible preference shares of ₹3.00 each.*

*(15) Dr. Jayaram K. Iyer was allotted 17, 252 Equity Shares, S. Parameshwar was allotted 12,222 Equity Shares, R. Chandrashekar was allotted 8,626 Equity Shares, Sanjeev Mishra was allotted 4,313 Equity Shares, Mohamed Farook was allotted 14,377 Equity Shares, Atul Narania was allotted 1,620 Equity Shares, Sushanta Kumar Swain was allotted 900 Equity Shares and S. Vijayanand was allotted 720 Equity Shares.*

*(16) T. Thulasi Ramarao was allotted 1,800 Equity Shares, Suresh N was allotted 1,800 Equity Shares, Mohanasundaram N. was allotted 1,800 Equity Shares, Vijayand R. was allotted 1,080 Equity Shares, Srikanth Visweswaran was allotted 1,080 Equity Shares, Kaushik Tiwari was allotted 1,800 Equity Shares, Parthasarathy S. was allotted 900 Equity Shares and Mugunthan S. was allotted 1,260 Equity Shares.*

*(17) CMDB II was allotted 4,618,118 Equity Shares pursuant to conversion of 2,609,106 CCPS and Mayfield XII, Mauritius was allotted 1,767,554 Equity Shares pursuant to conversion of 998,618 CCPS.*

*(18) Preethi Nayak was allotted 1,800 equity shares of ₹5.00 each and Sunitha Lal was allotted 4,313 equity shares of ₹5.00 each.*

*(19) Mohandoss M. was allotted 600 Equity Shares, Karthikeyan S. was allotted 250 Equity Shares, Mugunthan S. was allotted 1,260 Equity Shares, S. Saichithra was allotted 10,000 Equity Shares, Thulasi Rama Rao was allotted 1,200 Equity Shares, Sushanta Kumar Swain was allotted 900 Equity Shares, S. Vijayanand was allotted 720 Equity Shares and Srikanth Visweswaran was allotted 1,080 Equity Shares.*

*(20) Jayashree Ravi was allotted 250 Equity Shares, Sangeetha Malkhede was allotted 300 Equity Shares, Saurabh Kumar Shakya was allotted 900 Equity Shares, Pillutla Visvesvarryya Neelakandan was allotted 750 Equity Shares.*

The following table sets forth the history of allotment of the preference share capital of our Company:

| Date of allotment | Number of preference shares | Face value (₹) | Issue price (₹) | Nature of consideration | Reasons/nature of allotment | Cumulative number of preference shares | Cumulative paid up preference share capital (₹) |
|---|---|---|---|---|---|---|---|

| Date of allotment | Number of preference shares | Face value (₹) | Issue price (₹) | Nature of consideration | Reasons/nature of allotment | Cumulative number of preference shares | Cumulative paid up preference share capital (₹) |
|---|---|---|---|---|---|---|---|
| **Optionally convertible preference shares*** | | | | | | | |
| July 28, 2006 | 217,070 | 1.00 | 1,855.53 | Cash | Preferential allotment (1) | 217,070 | 217,070.00 |
| **Compulsorily convertible preference shares*** | | | | | | | |
| January 25, 2008 | 97,917 | 1.00 | 4,721.92 | Cash | Preferential allotment (2) | 314,987 | 314,987.00 |
| March 29, 2011 | 8,169 | 1.00 | 8,224.38 | Cash | Preferential allotment (3) | 323,156 | 323,156.00 |
| | 8,169 | 1.00 | 8,202.35 | Cash | Preferential allotment (4) | 331,325 | 331,325.00 |
| January 10, 2012 | 18,748,961 | 1.00 | - | Other than cash | Bonus issue of 77 compulsorily convertible preference shares of ₹ 1.00 each for every one compulsorily convertible preference share and optionally convertible preference share of ₹ 1.00 held (5) | 18,992,454# | 18,992,454.00 |
| Pursuant to a shareholders' resolution dated January 23, 2012, three preference shares of face value ₹ 1.00 each were consolidated into one preference share of ₹ 3.00 each, therefore, 18,992,454 preference shares of ₹ 1.00 each as on January 23, 2012 were consolidated to 6,330,818 preference shares of ₹ 3.00 each. | | | | | | | |
| Pursuant to a shareholders' resolution dated August 5, 2015, five preference shares of face value ₹ 3.00 each were consolidated into three preference shares of face value ₹ 5.00 each; therefore, 6,012,874 preference shares of face value ₹ 3.00 each were consolidated to 3,607,724 preference shares of face value ₹ 5.00 each. | | | | | | | |

**All outstanding optionally convertible preference shares and CCPS have been converted into Equity Shares as on date. For further details, see "Capital Structure – Notes to Capital Structure – Share Capital History" on page 86.*

*# On September 28, 2011, Yahoo! Netherlands BV was allotted 87,832 equity shares of ₹ 1.00 each pursuant to conversion of 87,832 optionally convertible preference shares of ₹ 1.00 each.*

(1) *Canaan VII Mauritius was allotted 125,474 optionally convertible preference shares of face value ₹ 1.00 each, Overture Services Europe BV was allotted 87,832 optionally convertible preference shares of face value ₹ 1.00 each, Draper Investment Company LLC was allotted 3,011 optionally convertible preference shares of face value ₹ 1.00 each and The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 753 optionally convertible preference shares of face value ₹ 1.00 each.*

(2) *Mayfield XII, Mauritius was allotted 52,099 compulsorily convertible preference shares of ₹ 1.00 each, Canaan VII Mauritius was allotted 33,343 compulsorily convertible preference shares of ₹ 1.00 each, Overture Services Europe BV was allotted 11,962 compulsorily convertible preference shares of ₹ 1.00 each, Draper Investment Company LLC was allotted 410 compulsorily convertible preference shares of ₹ 1.00 each and The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 103 compulsorily convertible preference shares of ₹ 1.00 each.*

(3) *Allotment to Mayfield XII, Mauritius pursuant to the share subscription agreement dated March 25, 2011 and shareholders' agreement dated March 25, 2011 between our Company, Mayfield XII, Mauritius, Canaan VII Mauritius, Murugavel Janakiraman and Indrani Janakiraman.*

(4) *Allotment to Canaan VII Mauritius pursuant to the share subscription agreement dated March 25, 2011 and shareholders' agreement dated March 25, 2011 between our Company, Mayfield XII, Mauritius, Canaan VII Mauritius, Murugavel Janakiraman and Indrani Janakiraman.*

(5) *Canaan VII Mauritius was allotted 13,002,143 compulsorily convertible preference shares of face value ₹ 1.00 each, Mayfield XII, Mauritius was allotted 4,929,078 compulsorily convertible preference shares of face value ₹ 1.00 each, Bessemer India Capital Holdings II Ltd. was allotted 488,411 compulsorily convertible preference shares of face value ₹ 1.00 each, Draper Investment Company LLC was allotted 263,417 compulsorily convertible preference shares of face value ₹ 1.00 each and The Hartenbaum Revocable Trust U/A/D 02/03/06 was allotted 65,912 compulsorily convertible preference shares of face value ₹ 1.00 each.*

### (b) Securities issued for consideration other than cash

Details of equity shares and preference shares issued for consideration other than cash are as follows:

| Date of allotment | Nature of security | Number of securities | Face Value (₹) | Issue Price (₹) | Benefits accrued to the Company | Reasons for allotment |
|---|---|---|---|---|---|---|
| September 28, 2011 | Equity shares | 87,832 | 1.00 | - | - | Conversion of 87,832 optionally convertible preference shares of ₹ 1.00 each held by Yahoo! Netherlands BV |
| January 10, 2012 | Equity shares | 39,873,064 | 1.00 | - | - | Bonus issue of 77 equity shares of ₹ 1.00 each for every one equity share of ₹ 1.00 held by Murugavel Janakiraman, Indrani Janakiraman, Canaan VII Mauritius, Mayfield XII, Mauritius and Bessemer India Capital Holdings II Ltd. |
| January 10, 2012 | Compulsorily convertible preference shares | 18,748,961 | 1.00 | - | - | Bonus issue of 77 compulsorily convertible preference shares of face value of ₹ 1.00 each for every one compulsorily convertible preference share of ₹ 1.00 each held by Mayfield XII, Mauritius, Canaan VII Mauritius, Draper Investment Company LLC, The Hartenbaum Revocable Trust U/A/D 02/03/06 and Bessemer India Capital Holdings II Ltd. and every one optionally convertible preference share of ₹ 1.00 each held by Canaan VII Mauritius, Draper Investment Company LLC and The Hartenbaum Revocable Trust U/A/D 02/03/06 |
| November 26, 2014 | Equity shares | 1,254 | 3.00 | - | - | Conversion of 1,003 and 251 optionally convertible preference shares of ₹ 3.00 each held by Draper Investment Company LLC and The Hartenbaum Revocable Trust U/A/D 02/03/06, respectively |
| | | 109,948 | 3.00 | - | - | Conversion of 87,943 and 22,005 compulsorily convertible preference shares of ₹ 3.00 each held by Draper Investment Company LLC and The Hartenbaum Revocable Trust U/A/D 02/03/06, respectively |
| December 30, 2014 | Equity shares | 164,918 | 3.00 | - | - | Conversion of 164,918 compulsorily convertible preference shares of ₹ 3.00 each held by Bessemer India Capital Holdings II Ltd. |
| December 31, 2014 | Equity shares | 2,489,688 | 3.00 | - | - | Bonus issue of 18 equity shares of ₹ 3.00 each for every 100 equity shares of ₹ 3.00 each held by Murugavel Janakiraman, Indrani Janakiraman, Canaan VII Mauritius, Mayfield XII, Mauritius, Bessemer India Capital Holdings II Ltd., Bessemer Venture Partners Trust, Draper Investment Company LLC, The Hartenbaum Revocable Trust U/A/D 02/03/06 and George Zacharias. |
| January 27, 2015 | Equity shares | 8,160,647 | 3.00 | - | - | Bonus issue of one equity shares of ₹ 3.00 each for every two equity shares of ₹ 3.00 each held by Murugavel Janakiraman, Indrani Janakiraman, Canaan VII Mauritius, Mayfield XII, Mauritius, Bessemer India Capital Holdings II Ltd., Bessemer Venture Partners Trust, Draper Investment Company LLC, The Hartenbaum Revocable Trust U/A/D 02/03/06, Deepa Murugavel, Ravi Janakiraman and George Zacharias. |
| March 16, 2015 | Equity shares | 74,028 | 3.00 | - | - | Conversion of 41,824 optionally convertible preference shares of ₹ 3.00 each by Canaan VII Mauritius. |
| August 10, 2016 | Equity shares | 6,385,672 | 5.00 | - | - | CMDB II was allotted 4,618,118 Equity Shares pursuant to conversion of 2,609,106 compulsorily convertible preference shares and Mayfield XII, Mauritius was allotted 1,767,554 Equity Shares |

| Date of allotment | Nature of security | Number of securities | Face Value (₹) | Issue Price (₹) | Benefits accrued to the Company | Reasons for allotment |
|---|---|---|---|---|---|---|
| | | | | | | pursuant to conversion of 998,618 compulsorily convertible preference shares. |

2. Our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391 to 394 of the Companies Act, 1956.

3. Our Company has not issued any bonus shares out of capitalization of its revaluation reserves or unrealized profits.

4. **Employee stock option 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 dated May 5, 2017 provided by Kumar Bagri & Associates, 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, we intend to grant up to 1,785,186 employee stock options exercisable into 1,785,186 equity shares of face value ₹ 3 each to eligible employees of our Company and eligible employees of our Subsidiaries and associates, subject to applicable laws. Pursuant to adjustments to the number of options and exercise price on account of the consolidation of our share capital on August 5, 2015, these employee stock options, upon vesting and exercise, will enable the employees to receive up to 1,071,112 Equity Shares of ₹ 5 each.

The Board of Directors at their meeting held on October 13, 2010 approved the grant of 3,236 options at an exercise price of ₹1,525 per option. Pursuant to the bonus issue on January 10, 2012, and consolidation of face value of the equity shares from face value of ₹ 1 to face value of ₹ 3 on January 23, 2012, the number of options have been adjusted to 84,136 with exercise price of ₹58.65 per option. On December 30, 2014, 42,068 options were exercised by the option holder and 42,068 equity shares were allotted at ₹ 58.65 per share. Pursuant to the bonus issuances on December 31, 2014 and January 27, 2015 42,068 options were adjusted to 74,460 options and the exercise price was adjusted to ₹ 33.14 ("**Pool 1**"). The following table sets forth the particulars of options granted under Pool 1:

| Particulars | Details | | | |
|---|---|---|---|---|
| | Fiscal 2015 | Fiscal 2016 | Fiscal 2017 | Up to May 4 , 2017 |
| No. of options as at beginning of period | 84,136 | Nil | Nil | Nil |
| Options granted | Nil | Nil | Nil | Nil |
| Pricing Formula | Fair Value after averaging the values arrived from Sales Multiple method, Income approach method and Profit earning capacity method | | | |
| Exercise price of options (in `) | 58.65 for 42,068 options and 33.14 for 74,460 options | Nil | Nil | Nil |
| Total options vested (includes options exercised) | | Nil | Nil | Nil |
| Options exercised | 116,528 | Nil | Nil | Nil |
| Total number of equity shares arising as a result of full | 116,528 | Nil | Nil | Nil |

| Particulars | Details | | | |
|---|---|---|---|---|
| | Fiscal 2015 | Fiscal 2016 | Fiscal 2017 | Up to May 4 , 2017 |
| exercise of options already granted | | | | |
| Options forfeited/ lapsed/ cancelled | Nil | Nil | Nil | Nil |
| Variations in terms of options | Nil | Nil | Nil | Nil |
| Money realised by exercise of options (in ₹) | 4,934,892.60 | Nil | Nil | Nil |
| Options outstanding (in force) | Nil | Nil | Nil | Nil |
| Person wise details of options granted to | | | | |
| i) Directors, key managerial personnel and senior managerial personnel | **Name of Employee** | **No. of options** | | |
| | | **Granted** | **Exercised** | **Outstanding** |
| | George Zacharias | 42,068 | 42,068 | Nil |
| | K B Chandrasekar | 74,460 | 74,460 | Nil |
| ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year | **Name of Employee** | **No. of options** | | |
| | | **Granted** | **Exercised** | **Outstanding** |
| | George Zacharias | 42,068 | 42,068 | Nil |
| | K.B. Chandrasekar | 74,460 | 74,460 | Nil |
| iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | Nil | | | |
| Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard | (3.07) | N.A. | N.A. | N.A. |
| Vesting schedule | Immediate vesting on October 13, 2010 for 2,427 options & 809 options would vest after completion of 1 year from October 13, 2010. | | | |
| Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options | Nil | Nil | Nil | N.A. |
| Impact on the profits of our Company and on the EPS arising due to difference in the accounting treatment for the options granted in the last three years and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options) | Nil | Nil | Nil | N.A. |
| Impact on the profits of our Company and on the EPS of the last three years arising due to difference in the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in | Nil | Nil | Nil | N.A. |

| Particulars | Details | | | |
|---|---|---|---|---|
| | Fiscal 2015 | Fiscal 2016 | Fiscal 2017 | Up to May 4 , 2017 |
| the last three years. | | | | |
| Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock | Nil | | | |
| **Method and significant assumptions used to estimate the fair value of options granted during the year:** | | | | |
| Method used | Black Scholes Model | | | |
| Risk free interest rate | 7.47% & 7.66% | | | |
| Expected Life | 2.5 & 3.5 years | | | |
| Expected Volatility | Nil | | | |
| Expected Dividends | Nil | | | |
| Price of underlying shares in market at the time of Option grant | NA | | | |

Further, our Company granted 408,303 options in April and September of 2014 at an exercise price of ₹ 109.75 per option. Pursuant to the bonus issuance on December 31, 2014 and January 27, 2015 the number of options were adjusted to 722,695 options with an exercise price of ₹ 62 per option. 35,554 options lapsed at the end of July 31, 2015 and the outstanding options at the end of the period is 687,141 ("**Pool 2**"). Further, our Company granted 80,000 options in July 2015 with an exercise price of ₹ 210 per option ("**Pool 3**").

Pursuant to consolidation of face value of the equity shares from face value of ₹ 3 to face value of ₹ 5 the options in Pool 2 stands adjusted to 412,285 options with an exercise price of ₹103 per share and Pool 3 stands adjusted to 48,000 options with an exercise price of ₹350 per option.

The Company has granted further 9,600 options (**"Pool 4"**) on February 9, 2016 and 2,000 options **("Pool 5")** on June 30, 2016 with a face value of ₹ 5 per option and an exercise price of ₹ 350 per option.

On April 21, 2017, 16,010 options pertaining to Pool 2, 1,300 options pertaining to Pool 3 and 900 options pertaining to Pool 4 were exercised and 16,010 Equity Shares, 1,300 Equity Shares and 900 Equity Shares were allotted, respectively.

These employee stock options, upon vesting and exercise, will enable the employees to receive an equal number of Equity Shares. The following table sets forth the particulars of options granted under Pools 2, 3, 4 and 5

| Particulars | Details | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fiscal 2015 (Pool 2) | Fiscal 2016 (Pool 2) | Fiscal 2016 (Pool 3& 4) | Fiscal 2017 (Pool 2) | Fiscal 2017 (Pool 3 & 4 & 5) | Fiscal 2018 Upto May 4, 2017 (Pool 2) | Fiscal 2018 Upto May 4, 2017 (Pool 3 ,4 & 5) |
| No. of options as at beginning of period | Nil | 4,33,617 # | Nil | 400,284 | 36,000 | 2,82,826 | 29,000 |
| Options granted | 722,695* | Nil | 57,600# | Nil | 2,000# | Nil | Nil |
| Pricing Formula | Fair Value after averaging the values arrived from EBITDA Multiple method & Income approach method | | | | | | |
| Exercise price of options (in ₹) | 62* | 103# | 350# | 103 | 350 | 103 | 350 |
| Total options vested (includes options exercised) | Nil | 115,396 | Nil | 108,579 | 5,850 | 110,425 | 900 |

| Particulars | Details | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fiscal 2015 (Pool 2) | Fiscal 2016 (Pool 2) | Fiscal 2016 (Pool 3& 4) | Fiscal 2017 (Pool 2) | Fiscal 2017 (Pool 3 & 4 & 5) | Fiscal 2018 Upto May 4, 2017 (Pool 2) | Fiscal 2018 Upto May 4, 2017 (Pool 3 ,4 & 5) |
| Options exercised | Nil | Nil | Nil | 77,663 | Nil | 16,010 | 2200 |
| Total number of equity shares arising as a result of full exercise of options already granted | Nil | Nil | Nil | 77,663 | Nil | 16,010 | 2200 |
| Options forfeited/ lapsed/ cancelled | Nil | 33,333# | 21,600 | 39,795 | 9,000 | Nil | 3,300 |
| Variations in terms of options | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Money realised by exercise of options (in ₹) | Nil | Nil | Nil | 7,999,289 | Nil | 16,49,030 | 7,70,000 |
| Options outstanding (in force) | 722,695* | 400,284# | 36,000# | 282,826 | 29,000 | 2,66,816 | 23,500 |

* Options & price adjusted towards bonus issue during the year

# Includes options which are adjusted for number of options and price on account of consolidation from ₹3/- to ₹5/-

Person wise details of options granted to

i) Directors, key managerial personnel and senior managerial personnel

| Name of Employee | No. of options | | |
|---|---|---|---|
| | Granted | Exercised | Outstanding |
| Saichithra S. | 191,697 | 10,000 | 181,697 |
| R. Chandrasekhar | 14,377 | 8,626 | 5,751 |
| Sanjeev Misra | 14,377 | 4,313 | 10,064 |
| Kaushik Tiwari | 6,000 | 1,800 | 4,200 |
| Vaasen V | 3,600 | NIL | 3,600 |
| S. Vijayanand | 2,400 | 1440 | 960 |

ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year

| Name of Employee | No. of options | | |
|---|---|---|---|
| | Granted | Exercised | Outstanding |
| Saichithra S | 191,697 | 10,000 | 181,697 |
| Jayaram K Iyer | 28,755 | 17,252 | Nil |
| Ramakrishnan SV | 3,600 | Nil | 3,600 |
| Michael Mohan Bala | 4,200 | Nil | 4,200 |
| Vijayanand NG | 3,600 | Nil | 3,600 |
| Sangeeta Keshav Malkhede | 3,600 | 300 | Nil |
| Neelakantan A | 3,600 | Nil | Nil |
| Gokulan J | 3,000 | Nil | Nil |
| Pillutla Visvesvarryya Neelakantan | 3,000 | 750 | 2250 |
| Prakash Sinha | 3,000 | Nil | Nil |
| Ajay Sudevan | 12,000 | Nil | Nil |
| Sohanlal Mahavirprasad Kabra | 3,000 | Nil | Nil |
| Kiran Vijayakumar | 3,600 | Nil | Nil |
| Saurabh Kumar Shakya | 3,600 | 900 | 2700 |

| Particulars | Details | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| | **Fiscal 2015 (Pool 2)** | **Fiscal 2016 (Pool 2)** | **Fiscal 2016 (Pool 3& 4)** | **Fiscal 2017 (Pool 2)** | **Fiscal 2017 (Pool 3 & 4 & 5)** | **Fiscal 2018 Upto May 4, 2017 (Pool 2)** | **Fiscal 2018 Upto May 4, 2017 (Pool 3 ,4 & 5)** |
| | Venkateshwarlu Sonnathi | | 3,600 | Nil | Nil | | |
| iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | Nil | | | | | | |
| Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard | (3.07) | NA | NA | 10.50 | 10.50 | NA | NA |
| Vesting schedule | See Note 1 below | | | | | | |
| Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options | ₹(10.62) million | ₹(5.86) million | ₹(5.86) million | 0.98 million | 0.98 million | NA | NA |
| Impact on the profits of our Company and on the EPS arising due to difference in the accounting treatment for the options granted in the last three years and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options) | Impact on Profits: ₹ (10.62) million<br><br>Diluted EPS (after considering the above impact) ₹ (2.48) | Impact on Profits: ₹(5.86) million<br><br>Diluted EPS (after considering the above impact) ₹ (16.03) | Impact on Profits: ₹(5.86) million<br><br>Diluted EPS (after considering the above impact) ₹ (16.03) | Impact on Profits: 0.98 million<br><br>Diluted EPS (after considering the above impact) ₹10.54 | Impact on Profits: 0.98 million<br><br>Diluted EPS (after considering the above impact) ₹ 10.54 | NA<br><br>NA | NA<br><br>NA |
| Impact on the profits of our Company and on the EPS of the last three years arising due to difference in the accounting policies specified in Regulation 15 of the ESOP Regulations in | Nil | Nil | Nil | Nil | Nil | NA | NA |

| Particulars | Details | | | | | | |
|---|---|---|---|---|---|---|---|
| | Fiscal 2015 (Pool 2) | Fiscal 2016 (Pool 2) | Fiscal 2016 (Pool 3& 4) | Fiscal 2017 (Pool 2) | Fiscal 2017 (Pool 3 & 4 & 5) | Fiscal 2018 Upto May 4, 2017 (Pool 2) | Fiscal 2018 Upto May 4, 2017 (Pool 3 ,4 & 5) |
| respect of options granted in the last three years. | | | | | | | |
| Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock | Nil | | | | | | |
| **Method and significant assumptions used to estimate the fair value of options granted during the year:** See Note 2 below | | | | | | | |

## Note-1: Vesting Schedule

Grant 3:

| | | | |
|---|---|---|---|
| Percentage | 30% | 30% | 40% |
| Date of vesting | 14th April 2015 | 14th April 2016 | 14th April 2017 |
| No of options | 95,259 | 90,405* | 120,542* |

**The Nomination and Remuneration Committee vide its resolution dated February 4, 2016, has advanced the vesting date of 4,853 options from 14th April 2016 to 4th February 2016 and 6,471 options from 14th April 2017 to 4th February 2016*

Grant 4:

| | | | |
|---|---|---|---|
| Percentage | 30% | 30% | 40% |
| Date of vesting | 1st Oct ,2015 | 1st Oct ,2016 | 1st Oct ,2017 |
| No of options | 11,486 | 11,486 | 15,315 |

Grant 5:

| | | | |
|---|---|---|---|
| Percentage | 30% | 30% | 40% |
| Date of vesting | 1st Apr 2016 | 1st Apr 2017 | 1st Apr 2018 |
| No of options | 11,119 | 11,119 | 14,826 |

Grant 6:

| | | | |
|---|---|---|---|
| Percentage | 30% | 30% | 40% |
| Date of vesting | 1st Oct 2016 | 1st Oct 2017 | 1st Oct 2018 |
| No of options | 3,767 | 3,767 | 5,023 |

Grant 7:

| | | | |
|---|---|---|---|
| Percentage | 30% | 30% | 40% |
| Date of vesting | 1st Apr 2016 | 1st Apr 2017 | 1st Apr 2018 |
| No of options | 4,313 | 4,313 | 5,751 |

Grant 8:

| | | | |
|---|---|---|---|
| Percentage | 30% | 30% | 40% |

| | | | |
|---|---|---|---|
| Date of vesting | 1st Oct 2016 | 1st Oct 2017 | 1st Oct 2018 |
| No of options | 4,140 | 4,140 | 5520 |

Grant 9:

| | | | | |
|---|---|---|---|---|
| Percentage | 25% | 25% | 25% | 25% |
| Date of vesting | 1st Oct ,2016 | 1st Oct ,2017 | 1st Oct ,2018 | 1st Oct ,2019 |
| No of options | 12,000 | 12,000 | 12,000 | 12,000 |

Grant 10:

| | | | | |
|---|---|---|---|---|
| Percentage | 25% | 25% | 25% | 25% |
| Date of vesting | 1st Apr, 2017 | 1st Apr, 2018 | 1st Apr,2019 | 1st Apr ,2020 |
| No of options | 2400 | 2400 | 2400 | 2400 |

Grant 11:

| | | | | |
|---|---|---|---|---|
| Percentage | 25% | 25% | 25% | 25% |
| Date of vesting | 1st Jul, 2017 | 1st Jul ,2018 | 1st Jul ,2019 | 1st Jul ,2020 |
| No of options | 500 | 500 | 500 | 500 |

**Note 2: Method and significant assumptions used to estimate the fair value of options granted during the year:**

Grant 3:

| **Method used** | Black Scholes Model | | |
|---|---|---|---|
| **Vesting Schedule** | 14-Apr-15 | 14-Apr-16 | 14-Apr-17 |
| **Risk free interest rate** | 8.94% | 8.97% | 9.03% |
| **Expected Life** | 4.0 | 4.5 | 5.5 |
| **Expected Volatility** | 33.33% | 33.54% | 34.21% |
| **Expected Dividends** | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA |

Grant 4:

| **Method used** | Black Scholes Model | | |
|---|---|---|---|
| **Vesting Schedule** | 1-Oct-15 | 1-Oct-16 | 1-Oct-17 |
| **Risk free interest rate** | 8.95% | 8.99% | 9.05% |
| **Expected Life** | 4.24 | 4.97 | 5.97 |
| **Expected Volatility** | 33.33% | 33.54% | 34.21% |
| **Expected Dividends** | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA |

Grant 5:

| **Method used** | Black Scholes Model | | |
|---|---|---|---|
| **Vesting Schedule** | 1-Apr-16 | 1-Apr-17 | 1-Apr-18 |
| **Risk free interest rate** | 8.97% | 9.02% | 9.08% |
| **Expected Life** | 4.49 | 5.47 | 6.47 |
| **Expected Volatility** | 33.33% | 33.54% | 34.21% |
| **Expected Dividends** | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA |

Grant 6:

| Method used | Black Scholes Model | | |
|---|---|---|---|
| **Vesting Schedule** | 1-Oct-16 | 1-Oct-17 | 1-Oct-18 |
| **Risk free interest rate** | 8.98% | 9.05% | 9.11% |
| **Expected Life** | 4.74 | 5.97 | 6.97 |
| **Expected Volatility** | 33.33% | 33.54% | 34.21% |
| **Expected Dividends** | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA |

Grant 7:

| Method used | Black Scholes Model | | |
|---|---|---|---|
| **Vesting Schedule** | 1-Apr-16 | 1-Apr-17 | 1-Apr-18 |
| **Risk free interest rate** | 8.57% | 8.59% | 8.61% |
| **Expected Life** | 4.26 | 5.02 | 6.02 |
| **Expected Volatility** | 33.33% | 33.54% | 34.21% |
| **Expected Dividends** | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA |

Grant 8:

| Method used | Black Scholes Model | | |
|---|---|---|---|
| **Vesting Schedule** | 1-Oct-16 | 1-Oct-17 | 1-Oct-18 |
| **Risk free interest rate** | 8.57% | 8.60% | 8.62% |
| **Expected Life** | 4.52 | 5.52 | 6.52 |
| **Expected Volatility** | 33.33% | 33.54% | 34.21% |
| **Expected Dividends** | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA |

Grant 9

| Method used | Black Scholes Model | | | |
|---|---|---|---|---|
| **Vesting Schedule** | 1-Oct-16 | 1-Oct-17 | 1-Oct-18 | 1-Oct-19 |
| **Risk free interest rate** | 7.86% | 7.94% | 8.01% | 8.06% |
| **Expected Life** | 3.71 | 4.71 | 5.71 | 6.71 |
| **Expected Volatility** | 34.49% | 33.52% | 33.74% | 35.57% |
| **Expected Dividends** | Nil | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA | NA |

Grant 10

| Method used | Black Scholes Model | | | |
|---|---|---|---|---|
| **Vesting Schedule** | 1-Apr-17 | 1-Apr-18 | 1-Apr-19 | 1-Apr-20 |
| **Risk free interest rate** | 7.63% | 7.66% | 7.85% | 7.93% |
| **Expected Life** | 3.6 | 4.6 | 5.6 | 6.6 |
| **Expected Volatility** | 10.00% | 10.00% | 10.00% | 10.00% |
| **Expected Dividends** | Nil | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA | NA |

Grant 11

| Method used | Black Scholes Model | | | |
|---|---|---|---|---|
| **Vesting Schedule** | 1-Jul-17 | 1-Jul-18 | 1-Jul-19 | 1-Jul-20 |

| | | | | |
|---|---|---|---|---|
| **Risk free interest rate** | 7.13% | 7.27% | 7.40% | 7.54% |
| **Expected Life** | 3.5 | 4.5 | 5.5 | 6.5 |
| **Expected Volatility** | 10.00% | 10.00% | 10.00% | 10.00% |
| **Expected Dividends** | Nil | Nil | Nil | Nil |
| **Price of underlying shares in market at the time of Option grant** | NA | NA | NA | NA |

The holders of Equity Shares allotted upon exercise of options do not intend to sell such Equity Shares within three months after the listing of the Equity Shares pursuant to the Offer. Further, none of our Directors, Key Managerial Personnel or employees hold options under the ESOP Scheme which, upon exercise, will result in allotment of Equity Shares amounting to more than 1% of the issued Equity Share capital of our Company.

5. Except Equity Shares allotted upon conversion of CCPS and conversion of options granted pursuant to the ESOP Scheme into Equity Shares, our Company has not issued any specified securities at a price that may be less than the Offer Price in the last one year preceding the date of filing of this Draft Red Herring Prospectus.

6. Except for any vesting and/or exercise of the options granted pursuant to ESOP Scheme and their consequent conversion into Equity Shares, we currently do not intend or propose to alter our Company's capital structure for a period of six months from the Bid Opening Date, by way of split or consolidation of the denomination of Equity Shares or, further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus issue or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placement or otherwise.

7. **History of Build up, Contribution and Lock-in of Promoters' Shareholding**

***a. Build up of Promoters' equity shareholding in our Company***

Details of the build up of equity shareholding of our Promoter are as follows:

| Name of the Promoter | Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ Acquisition/ Sale Price per Equity Share (₹) | % of pre-Offer Capital | % of post-Offer Capital | Nature of consideration | Nature of Transaction |
|---|---|---|---|---|---|---|---|---|
| Murugavel Janakiraman | March 20, 2002 | 5,000 | 10.00 | 10.00 | | | Cash | Acquisition from C. Samundeswari |
| | | 5,000 | 10.00 | 10.00 | | | Cash | Acquisition from C. Shankar |
| | March 23, 2002 | 32,600 | 10.00 | 10.00 | | | Cash | Preferential allotment |
| | *Pursuant to a shareholders' resolution dated June 16, 2006, one equity share of face value ₹10.00 each was split into ten equity shares of ₹1.00 each. Accordingly, 42,600 equity shares of ₹10.00 each were sub-divided into 426,000 equity shares of ₹1.00 each* | | | | | | | |
| | July 17, 2006 | 1,000 | 1.00 | 525.79 | | | Cash | Preferential allotment |
| | January 10, 2012 | 32,879,000 | 1.00 | - | | | Other than cash | Bonus issue of 77 equity shares of ₹ 1.00 each for every one equity share of ₹ 1 held |
| | *Pursuant to a shareholders' resolution dated January 23, 2012, three equity shares of face value ₹ 1.00 each were consolidated into one equity share of ₹ 3.00 each. Accordingly, 33,306,000 equity shares of ₹ 1.00 each were consolidated to 11,102,000 equity shares of ₹ 3.00 each.* | | | | | | | |
| | December 30, 2014 | 16,098 | 3.00 | 760.00 | | | Cash | Preferential allotment |

| Name of the Promoter | Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ Acquisition/ Sale Price per Equity Share (₹) | % of pre-Offer Capital | % of post-Offer Capital | Nature of consideration | Nature of Transaction |
|---|---|---|---|---|---|---|---|---|
| | December 31, 2014 | 2,001,258 | 3.00 | - | | | Other than cash | Bonus issue of 18 equity shares of ₹ 3.00 each for every 100 equity shares of ₹ 3.00 each held |
| | January 27, 2015 | 6,559,678 | 3.00 | - | | | Other than cash | Bonus issue of one equity shares of ₹ 3.00 each for every two equity shares of ₹ 3.00 each held |
| | August 4, 2015 | (65,491) | 3.00 | 566.99 | | | Cash | Transfer of equity shares of face value ₹ 3.00 each to individuals and body corporates [(1)]. |
| | *Pursuant to a shareholders' resolution dated August 5, 2015, five equity shares of face value ₹ 3.00 each were consolidated into three Equity Shares of face value ₹ 5.00 each. Accordingly, 19,613,543 equity shares of face value ₹ 3.00 each were consolidated to 11,768,125 Equity Shares of face value ₹5.00 each* | | | | | | | |
| | January 24, 2017 | (31,332) | 5.00 | 471.00 | | | Cash | Transfer of equity shares of face value ₹ 5.00 each to individuals and body corporate [(2)] |
| | February 7, 2017 | (14,863) | 5.00 | 471.00 | | | Cash | Transfer of equity shares of face value ₹ 5.00 each to individuals and body corporate [(3)] |
| | February 16, 2017 | (2,123) | 5.00 | 471.00 | | | Cash | Transfer of 2,123 Equity Shares to Thirumavalan Innasi |
| | February 17, 2017 | 93,394 | 5.00 | 243.25 | | | Cash | Acquisition from Draper Investment Company LLC |
| | | | | | | | | |
| **Total** | | **11,813,213*** | | | **55.57** | [●] | | |

*[(1)] Transfer of 3,339 equity shares of ₹3.00 each to Taru Mayur and Vibha Srisrimal, 1,764 equity shares of ₹3.00 each to Loyal Textile Mills Limited, 8,903 equity shares of ₹3.00 each to Sriram Subramanya and B. Srinivasan, 4,451 equity shares of ₹3.00 each jointly to Milind Shripad Sarwate and Madhumita Milind Sarwate, 3,561 equity shares of ₹3.00 each to GR Ananthapadmanabhan and GR Radhakrishnan, 1,781 equity shares of ₹3.00 each to G Rajendran, 1,960 equity shares of ₹3.00 each to T T Rangarajan, 5,342 equity shares of ₹3.00 each to Xerago E Biz Services Private Limited, 3,561 equity shares of ₹3.00 each to Ramesh Shastri jointly with Nagarathna Shastri, 4,409 equity shares of ₹3.00 each to N. Lakshminarayanan and Gopal Srinivasan, 1,781 equity shares of ₹3.00 each to E. Parasuraman and T. Sivakumar and 2,646 equity shares of ₹3.00 each to Sailaja.*

*[(2)] Transfer of 10,616 Equity Shares each to Shriram Subramanya and Srinivasan, 2,654 Equity Shares to Milind Shripad Sarwate and Mandhumita Milind Sarwate, 3,200 Equity Shares to Xerago E-Biz Services Private Limited and 4,246 Equity Shares to Ramesh Shastri.*

*[(3)]Transfer of 5,308 Equity Shares to Srinivasan Gopal, 2,123 Equity Shares to Sailaja, 1,062 Equity Shares to Loyal Textile Mills Limited, 1,062 Equity Shares to T. Sivakumar and 5,308 Equity Shares to N. Lakshminarayanan.*

* *The total equity shareholding of Murugavel Janakiraman includes 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹3.00 each to equity shares of face value ₹5.00 each in accordance with EGM resolution dated August 5, 2015.*

All the Equity Shares held by the Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, our Promoter has confirmed to our Company and the Book Running Lead Managers that acquisition of the Equity Shares held by him and which will be locked in as Promoter's Contribution has been financed by his own funds/ internal accruals and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

***b. Shareholding of our Promoter and Promoter Group***

Provided below are details of Equity Shares held by our Promoter and members of the Promoter Group.

| S No. | Name of shareholder | Pre-Offer | | Post-Offer | |
|---|---|---|---|---|---|
| | | No. of Equity Shares | Percentage of pre-Offer capital (%) | No. of Equity Shares | Percentage of post-Offer capital (%) |
| ***Promoter*** | | | | | |
| 1. | Murugavel Janakiraman | 11,813,213* | 55.57 | [●] | [●] |
| Sub Total (A) | | | **55.57** | [●] | [●] |
| ***Promoter Group*** | | | | | |
| 1. | Indrani Janakiraman | 82,834 | 0.39 | [●] | [●] |
| 2. | Deepa Murugavel | 4,007 | 0.02 | [●] | [●] |
| 3. | Ravi Janakiraman | 1 | negligible | | |
| Sub Total (B) | | | **0.41** | [●] | [●] |
| **Total Promoter & Promoter Group (A+B)** | | **11,900,055** | **55.97** | **[●]** | **[●]** |

** The total equity shareholding of Murugavel Janakiraman includes 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹3.00 each to equity shares of face value ₹5.00 each on August 5, 2015.*

a. Except as disclosed below, none of our Directors, Promoter, the members of our Promoter Group and their immediate relatives have purchased or sold any securities of our Company or Subsidiaries, during the six months preceding the date of filing this Draft Red Herring Prospectus with SEBI:

| Name of the Shareholder | Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Nature of Transaction |
|---|---|---|---|---|
| Murugavel Janakiraman | January 24, 2017 | (31,332)* | 5.00 | Transfer of equity shares of ₹ 5.00 each to individuals and body corporate |
| Milind Shripad Sarwate (held jointly with Madhumita Milind Sarwate) | January 24, 2017 | 2,654 | 5.00 | Acquisition of equity shares of ₹ 5.00 from Murugavel Janakiraman |
| Murugavel Janakiraman | February 7, 2017 | (14,863) | 5.00 | Transfer of equity shares of ₹ 5.00 each to individuals and body corporate |
| Murugavel Janakiraman | February 16, 2017 | (2,123) | 5.00 | Transfer of 2,123 Equity Shares to Thirumavalan Innasi |
| Murugavel Janakiraman | February 17, 2017 | 93,394 | 5.00 | Acquisition from Draper Investment Company LLC |
| Deepa Murugavel | January 27, 2017 | 2,003 | 5.00 | Acquisition of equity shares of ₹ 5.00 |
| Deepa Murugavel | January 30, 2017 | 2,003 | 5.00 | Acquisition of equity shares of ₹ 5.00 |

** Includes 2,654 Equity Shares transferred to Milind Shripad Sarwate (held jointly with Madhumita Milind Sarwate).*

b. There are no financing arrangements whereby the members of our Promoter Group, nor our Promoter, nor our Directors and their relatives have purchased or sold, or financed the purchase of Equity Shares by any other person, other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing the Draft Red Herring Prospectus.

c. None of the Equity Shares held by the Promoter or member of our Promoter Group, are pledged or otherwise encumbered. None of the Equity Shares offered by the Selling Shareholders for sale through the Offer for Sale are pledged or otherwise encumbered.

8. **Details of Promoter's contribution locked-in for three years**

Pursuant to Regulation 32 and 36(a) of the SEBI Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoter* shall be considered as minimum promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Promoter's Contribution**"). The lock-in of the Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Murugavel Janakiraman, our Promoter has, pursuant to a letter dated May 5, 2017, given consent to include such number of Equity Shares held as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI Regulations.

As on the date of this Draft Red Herring Prospectus, all of the Equity Shares held by our Promoter (except for (i) 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹ 3.00 each to equity shares of face value ₹ 5.00 each, in accordance with EGM resolution dated August 5, 2015 and (ii) 93,394 Equity Shares acquired by our Promoter on February 17, 2017) are eligible for being locked-in as promoter's contribution in accordance with the SEBI Regulations.

Details of Promoter's Contribution are as provided below:

| Name of the Promoter | No. of Equity Shares locked-in | Date of allotment/ transfer** | Face value (₹) | Issue price per Equity Shares (₹) | Nature of transaction | % of pre-Offer Capital | % of the post-Offer Capital | Date up to which the Equity shares are subject to lock-in |
|---|---|---|---|---|---|---|---|---|
| Murugavel Janakiraman | [●]* | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

**Will not include (i) 12 Equity Shares held by Murugavel Janakiraman on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹ 3.00 each to equity shares of face value ₹ 5.00 each in accordance with EGM resolution dated August 5, 2015; and (ii) (ii) 93,394 Equity Shares acquired by our Promoter on February 17, 2017.*

***Equity Shares were fully paid up on the date of allotment/transfer.*

The actual number of Equity Shares that would be offered in the Fresh Issue cannot be determined at this stage. Our Company would be able to estimate the number of Equity Shares to be allotted in the Fresh Issue upon finalization of the Offer Price. Consequently, our Company cannot determine the number of Equity Shares that are required to be offered by the Promoter towards Promoter's Contribution at this stage. However, we undertake to update the exact details of the number of Equity Shares forming part of Promoter's Contribution at the time of filing of the Prospectus with the RoC. The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI Regulations and from persons defined as promoters under the SEBI Regulations. The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoter's Contribution under Regulation 33 of the SEBI Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

(i) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares against Equity Shares which are ineligible for computation of Promoter's Contribution;

(ii) Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Equity Shares issued to the Promoter upon conversion of a partnership firm; and

(iv) Equity Shares held by the Promoter that are subject to any pledge.

For such time that the Equity Shares under the Promoter's Contribution are locked in as per the SEBI Regulations, the Promoter's Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Offer and pledge of such Equity Shares is one of the terms of sanction of loan. For such time that they are locked in as per the SEBI Regulations, the Equity Shares held by the Promoter in excess of the Promoter's Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions if the pledge of the Equity Shares is one of the terms of the sanction of the loan. For details regarding the objects of the Offer, see the section titled "*Objects of the Offer*" beginning on page 112.

9. **Details of share capital locked-in for one year**

Except for (a) the Promoter's Contribution which shall be locked in as above; (b) Equity Shares which are proposed to be transferred as part of the Offer for Sale, and (c) any Equity Shares held by the employees of our Company (who continue to be employees on the date of Allotment) which may be allotted to them under the ESOP Scheme prior to the Offer, the entire pre-Offer equity share capital of our Company (including those Equity Shares held by our Promoter), shall be locked in for a period of one year from the date of Allotment. Additionally, any unsubscribed portion of the Offer for Sale being offered by the Selling Shareholders would also be locked-in for one year from the date of Allotment. Further, Equity Shares held by venture capital funds, foreign venture capital investors and alternate investment funds shall be locked in for a period of one year from the date of purchase of Equity Shares. Further, the Equity Shares held by Mayfield XII, Mauritius and Bessemer Venture Partners Trust held through the FVCI route are exempt from lock-in, in accordance with the SEBI Regulations.

In terms of Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoter and locked-in as Promoter's Contribution may be transferred to any member of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and subject to provisions of the Takeover Code. The Equity Shares held by persons other than the Promoter prior to the Offer, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in the hands of the transferee and subject to the provisions of the Takeover Code.

***Lock-in of Equity Shares Allotted to Anchor Investors***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

10. **Sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.**

Except as stated below, there has been no sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company.

| S. No. | Name of Shareholder | Date | Nature of allotment | Number of equity shares of face value ₹ 3 each | Percentage of pre-Offer Equity capital |
|---|---|---|---|---|---|
| 1. | Murugavel Janakiraman | December 31, 2014 | Bonus issue of 18 equity shares of ₹ 3.00 each for every 100 equity shares of ₹ 3.00 each held | 2,001,258 | 5.65 |
| | | January 27, 2015 | Bonus issue of one equity share of ₹ 3.00 each for | 6,559,678 | 18.51 |

| | | | | | |
|---|---|---|---|---|---|
| | | | every two equity shares of ₹ 3.00 each held | | |

11. **Details of the build-up of equity share capital held by the Selling Shareholders in our Company**

The table below represents the build up of the equity shareholding of the Selling Shareholders in our Company:

| Name of the Selling Shareholder | Date of allotment/ transfer | No. of Equity Shares | Face Value | Issue/ transfer price per Equity Share (in ₹ unless otherwise stated) | Nature of allotment | Nature of consideration |
|---|---|---|---|---|---|---|
| **Bessemer India Capital Holdings II Ltd.** | September 28, 2011 | 46,569 | 1.00 | 8503.40 [1] | Transfer of shares from Overture Services Europe BV (now Yahoo! Netherlands BV) | Cash |
| | January 10, 2012 | 3,585,813 | 1.00 | - | Bonus issue of 77 equity shares of ₹ 1.00 each for every one equity share of ₹ 1.00 held | Other than cash |
| | *Pursuant to a shareholders' resolution dated January 23, 2012, three equity shares of face value ₹ 1.00 each were consolidated into one equity share of ₹ 3.00 each. Accordingly, 3,632,382 equity shares of ₹1.00 each were consolidated to 1,210,794 equity shares of ₹3.00 each.* | | | | | |
| | December 30, 2014 | 164,918 | 3.00 | - | Conversion of compulsorily convertible preference shares of ₹ 3.00 each | Other than cash |
| | December 31, 2014 | 247,628 | 3.00 | - | Bonus issue of 18 equity shares of ₹ 3.00 each for every 100 equity shares of ₹ 3.00 each held | Other than cash |
| | January 27, 2015 | 811,670 | 3.00 | - | Bonus issue of one equity share of ₹ 3.00 each for every two equity shares of ₹ 3.00 each held | Other than cash |
| | *Pursuant to a shareholders' resolution dated August 5, 2015, five equity shares of face value ₹ 3.00 each were consolidated into three Equity Shares of face value ₹5.00 each. Accordingly, 2,435,010 equity shares of face value ₹ 3.00 each were consolidated to 1,461,006 Equity Shares of face value ₹5.00 each* | | | | | |
| | **Total** | **1,461,006** | | | | |
| | | | | | | |
| **MAYFIELD XII, MAURITIUS** | September 28, 2011 | 27,509 | 1 | 8503.40[1] | Transfer of shares from Overture Services Europe BV (now Yahoo! Netherlands BV) | Cash |

| Name of the Selling Shareholder | Date of allotment/ transfer | No. of Equity Shares | Face Value | Issue/ transfer price per Equity Share (in ₹ unless otherwise stated) | Nature of allotment | Nature of consideration |
|---|---|---|---|---|---|---|
| | January 10, 2012 | 2,118,193 | 1 | - | Bonus issue of 77 equity shares of ₹ 1.00 each for every one equity share of ₹ 1.00 held | Other than cash |
| | *Pursuant to a shareholders' resolution dated January 23, 2012, three equity shares of face value ₹ 1.00 each were consolidated into one equity share of ₹ 3.00 each. Accordingly, 2,145,702 equity shares of ₹ 1.00 each were consolidated to 715,234 equity shares of ₹ 3.00 each.* | | | | | |
| | December 30, 2014 | 6,700 | 3 | 760.00 | Preferential allotment | Cash |
| | December 31, 2014 | 129,948 | 3 | - | Bonus issue of 18 equity shares of ₹ 3.00 each for every 100 equity shares of ₹ 3.00 each held | Other than cash |
| | January 27, 2015 | 425,941 | 3 | - | Bonus issue of one equity share of ₹ 3.00 each for every two equity shares of ₹ 3.00 each held | Other than cash |
| | *Pursuant to a shareholders' resolution dated August 5, 2015, five equity shares of face value ` 3.00 each were consolidated into three Equity Shares of face value ₹ 5.00 each. Accordingly, 1,277,823 equity shares of face value ₹ 3.00 each were consolidated to 766,694 Equity Shares of face value ₹5.00 each* | | | | | |
| | August 10, 2016 | 1,767,554 | 5 | - | Conversion of compulsorily convertible preference shares of ₹ 5.00 each | Other than cash |
| | **Total** | **2,534,248** | | | | |
| **CMDB II** | April 16, 2015 | 719,174 | 3 | 928.35 | Transfer of shares from Canaan VII Mauritius | Cash |
| | *Pursuant to a shareholders' resolution dated August 5, 2015, five equity shares of face value ` 3.00 each were consolidated into three Equity Shares of face value ₹ 5.00 each. Accordingly, 719,174 equity shares of face value ₹3.00 each were consolidated to 431,504 Equity Shares of face value ₹5.00 each* | | | | | |
| | August 10, 2016 | 4,618,118 | 5 | - | Conversion of compulsorily convertible preference shares of ₹ 5.00 each | Other than cash |
| | **Total** | **5,049,622** | | | | |
| **Indrani Janakiraman** | March 23, 2002 | 150 | 10.00 | 10.00 | Preferential allotment | Cash |
| | February 19, 2005 | 150 | 10.00 | - | Transmission of Shares held by Mr. S. Janakiraman | Other than cash |
| | *Pursuant to a shareholders' resolution dated June 16, 2006, one equity share of face value ` 10.00 each was split into ten equity shares of ₹1.00 each. Accordingly, 300 equity shares of ` 10.00 each were sub-divided into 3,000 equity shares of ₹1.00 each.* | | | | | |

| Name of the Selling Shareholder | Date of allotment/ transfer | No. of Equity Shares | Face Value | Issue/ transfer price per Equity Share (in ₹ unless otherwise stated) | Nature of allotment | Nature of consideration |
|---|---|---|---|---|---|---|
| | January 10, 2012 | 231,000 | 1.00 | - | Bonus issue of 77 equity shares of ₹ 1.00 each for every one equity share of ₹ 1.00 held | Other than cash |
| | *Pursuant to a shareholders' resolution dated January 23, 2012, three equity shares of face value ₹ 1.00 each were consolidated into one equity share of ₹ 3.00 each. Accordingly, 234,000 equity shares of ₹ 1.00 each were consolidated to 78,000 equity shares of ` 3.00 each.* | | | | | |
| | November 26, 2014 | (1) | 3.00 | 760.00 | Transfer of share to Deepa Murugavel | Cash |
| | | (1) | 3.00 | 760.00 | Transfer of share to Ravi Janakiraman | Cash |
| | December 31, 2014 | 14,040 | 3.00 | - | Bonus issue of 18 equity shares of ₹ 3.00 each for every 100 equity shares of ₹ 3.00 each held | Other than cash |
| | January 27, 2015 | 46,019 | 3.00 | - | Bonus issue of one equity share of ₹ 3.00 each for every two equity shares of ₹ 3.00 each held | Other than cash |
| | *Pursuant to a shareholders' resolution dated August 5, 2015, five equity shares of face value ₹ 3.00 each were consolidated into three Equity Shares of face value ₹ 5.00 each. Accordingly, 138,057 equity shares of face value ₹ 3.00 each were consolidated to 82,834 Equity Shares of face value ₹ 5.00 each.* | | | | | |
| | **Total** | **82,834** | | | | |

*(1) USD 173.86 per equity share of face value of ₹1.00 each, converted at the rate of ₹ 48.91 per USD, as on September 28, 2011.*

*For details of the build up of share capital of the Promoter Selling Shareholder, see "Capital Structure – History of Build up, Contribution and Lock-in of Promoters' Shareholding" on page 100.*

***Note:** Pursuant to the consolidation of five equity shares of face value ₹ 3.00 each into three Equity Shares of face value ₹ 5.00 authorized by a shareholders' resolution dated August 5, 2015, certain shareholders, including Indrani Janakiraman are also entitled to fractional Equity Shares which are held by the Murugavel Janakiraman on behalf of such shareholders.*

## 12. Our shareholding pattern

The table below represents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

| Category (I) | Category of Shareholder (II) | Number of Shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialised form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting Rights | | | | | | | | | | |
| | | | | | | | | Class | Class | Total | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | |
| | | | | | | | | Equity | - | | | | | | | | | |
| **(A)** | **Promoter and Promoter Group** | 4 | 11,900,055 | - | | 11,900,055 | 55.97 | 11,900,055 | - | 11,900,055 | 55.97 | | 55.97 | - | - | - | - | 11,900,055 |
| **(B)** | **Public** | 47 | 9,359,746 | - | | 9,359,746 | 44.03 | 9,359,746 | - | 9,359,746 | 44.03 | | 44.03 | - | - | - | - | 9,225,270 |
| **(C)** | **Non Promoter-Non Public** | | | | | | | | | | | | | | | | | |
| (C) (1) | Shares underlying DRs | - | - | - | | - | - | - | | - | - | | - | - | | | | |
| (C) (2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total (A) + (B) + (C)** | 51 | 21,259,801 | | | 21,259,801 | 100 | 21,259,801 | - | 21,259,801 | 100 | | 100 | - | - | - | - | 21,125,325 |

13. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Details of our Directors and Key Managerial Personnel who hold Equity Shares as on date of this Draft Red Herring Prospectus are as follows:

| Name | No. of Equity Shares | Percentage of pre-Offer capital |
|---|---|---|
| Murugavel Janakiraman | 11,813,213* | 55.57 |
| Deepa Murugavel | 4,007 | 0.02 |
| George Zacharias | 44,676 | 0.21 |
| Milind Shripad Sarwate (held jointly with Madhumita Milind Sarwate) | 5,324 | 0.03 |
| S.Saichitra | 10,000 | 0.05 |
| Sanjeev Mishra | 4,313 | 0.02 |
| S. Vijayanand | 1,440 | Negligible |
| Kaushik Tiwari | 1,800 | 0.01 |
| R. Chandrasekar | 8,626 | 0.04 |
| **Total** | **11,893,399** | **55.95** |

** The total equity shareholding of Murugavel Janakiraman includes 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹3.00 each to equity shares of face value ₹5.00 each on August 5, 2015.*

14. Our Company, our Directors or the Book Running Lead Managers have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Offer.

15. Over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest multiple of the minimum Allotment lot while finalising the Basis of Allotment.

16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus. The Equity Shares issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

17. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Balance Equity Shares arising out of under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

18. **Top ten shareholders**

(a) Our top Equity Shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus:

| S. No. | Shareholder | No. of Equity Shares Held | Percentage of pre-Offer Equity capital | Percentage of post-Offer capital |
|---|---|---|---|---|
| 1. | Murugavel Janakiraman | 11,813,213 | 55.57 | [●] |
| 2. | CMDB II | 5,049,622 | 23.75 | [●] |
| 3. | Mayfield XII, Mauritius | 2,534,248 | 11.92 | [●] |
| 4. | Bessemer India Capital Holdings II Ltd | 1,461,006 | 6.87 | [●] |
| 5. | Indrani Janakiraman | 82,834 | 0.39 | [●] |
| 6. | Mohamed Farook | 53,309 | 0.25 | [●] |
| 7. | George Zacharias | 44,676 | 0.21 | [●] |

| S. No. | Shareholder | No. of Equity Shares Held | Percentage of pre-Offer Equity capital | Percentage of post-Offer capital |
|---|---|---|---|---|
| 8. | K.B. Chandrasekar | 44,676 | 0.21 | [●] |
| 9. | Jayaram K Iyer | 17,252 | 0.08 | [●] |
| 10. | Sriram Subramanya | 15,957 | 0.08 | [●] |
| | B. Srinivasan | 15,957 | 0.08 | [●] |
| | **Total** | **21,132,750** | **99.41** | [●] |

**The total equity shareholding of Murugavel Janakiraman includes 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹3.00 each to equity shares of face value ₹5.00 each on August 5, 2015.*

(b) Our top ten Equity Shareholders and the number of Equity Shares held by them ten days prior to filing of this Draft Red Herring Prospectus:

| S. No. | Shareholder | No. of Equity Shares Held | Percentage of pre-Offer Equity capital | Percentage of post-Offer capital |
|---|---|---|---|---|
| 1. | Murugavel Janakiraman | 11,813,213 | 55.57 | [●] |
| 2. | CMDB II | 5,049,622 | 23.75 | [●] |
| 3. | Mayfield XII, Mauritius | 2,534,248 | 11.92 | [●] |
| 4. | Bessemer India Capital Holdings II Ltd | 1,461,006 | 6.87 | [●] |
| 5. | Indrani Janakiraman | 82,834 | 0.39 | [●] |
| 6. | Mohamed Farook | 53,309 | 0.25 | [●] |
| 7. | George Zacharias | 44,676 | 0.21 | [●] |
| 8. | K.B. Chandrasekar | 44,676 | 0.21 | [●] |
| 9. | Jayaram K Iyer | 17,252 | 0.08 | [●] |
| 10. | Sriram Subramanya | 15,957 | 0.08 | [●] |
| | B. Srinivasan | 15,957 | 0.08 | [●] |
| | **Total** | **21,132,750** | **99.41** | [●] |

**The total equity shareholding of Murugavel Janakiraman includes 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹3.00 each to equity shares of face value ₹5.00 each on August 5, 2015.*

(c) Our top ten Equity Shareholders two years prior to filing of this Draft Red Herring Prospectus:

| S. No. | Shareholder | No. of Equity Shares Held* | Percentage of Equity holding |
|---|---|---|---|
| 1. | Murugavel Janakiraman | 19,679,034 | 79.90 |
| 2. | Bessemer India Capital Holdings II Ltd. | 2,435,010 | 9.89 |
| 3. | Mayfield XII, Mauritius | 1,277,823 | 5.19 |
| 4. | CMDB II | 719,174 | 2.92 |
| 5. | Draper Investment Company LLC | 169,293 | 0.69 |
| 6. | Indrani Janakiraman | 138,057 | 0.56 |
| 7. | George Zacharias | 74,460 | 0.30 |
| 8. | K B Chandrasekar | 74,460 | 0.30 |
| 9. | The Hartenbaum Revocable Trust U/A/D 02/03/06 | 51,252 | 0.21 |
| 10. | Bessemer Venture Partners Trust | 11,859 | 0.05 |
| | **Total** | **24,630,422** | **99.99** |

**The above shareholding details relates to equity shares of ₹3.00 each. The equity shares of the Company were consolidated from equity shares of face value ₹3.00 each to equity shares of face value ₹5.00 each on August 5, 2015.*

19. The Book Running Lead Managers or their associates do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The Book Running Lead Managers and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

20. No person connected with the Offer, including, but not limited to, the Book Running Lead Managers, the members of the Syndicate, our Company, the Directors, the Promoter, members of our Promoter Group and Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

21. Our Company has not raised any bridge loans against the Net Proceeds.

22. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

23. Other than options outstanding under the ESOP Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into our Equity Shares as on date of this Draft Red Herring Prospectus.

24. Except for the Fresh Issue and the exercise of ESOPs granted under the ESOP Scheme, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

25. Other than to the extent of Equity Shares being offered by the Promoter Selling Shareholder and Indrani Janakiraman in the Offer for sale, our Promoter, members of our Promoter Group and Group Companies will not participate in this Offer.

26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

27. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

28. Our Company shall ensure that transactions in Equity Shares, if any by the Promoter and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

# OBJECTS OF THE OFFER

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

**Offer for Sale**

Our Company will not receive any proceeds from the Offer for Sale.

**Objects of the Fresh Issue**

The details of the proceeds of the Fresh Issue are summarized below:

*(In ₹ million)*

| Particulars | Amount |
|---|---|
| Gross proceeds of the Fresh Issue | 1,300 |
| (Less) Offer related expenses in relation to the Fresh Issue* | [●] |
| **Net Proceeds** | [●] |

**To be finalised upon determination of the Offer Price.*

After deducting the Offer related expenses in relation to the Fresh Issue, we estimate the proceeds of the Fresh Issue to be ₹ [●] million ("**Net Proceeds**"). The objects for which our Company intends to use the Net Proceeds are:

1. Advertising and business promotion activities;
2. Purchase of land for construction of office premises in Chennai;
3. Repayment of our overdraft facilities; and
4. General corporate purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised through the Fresh Issue.

**Requirement of funds and proposed schedule of deployment**

We intend to utilize the Net Proceeds as per details set forth below:

*(In ₹ million)*

| Particulars | Total amount to be deployed from the Net Proceeds (in Fiscal 2018) |
|---|---|
| Advertising and business promotion activities | 200.00 |
| Purchase of land for construction of office premises in Chennai | 414.08 |
| Repayment of our overdraft facilities | 443.76 |
| General corporate purposes# | [●] |
| **Total** | **[●]** |

*# The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.*

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current business needs and are subject to revisions in light of changes in costs, financial condition, business, strategy or external circumstances which may not be in our control and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. For further details, see the section titled "*Risk Factors - The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions.*" on page 37. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards general corporate purposes.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Fresh Issue, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

**Details of the Objects**

**1. *Advertising and business promotion activities***

We engage in advertising campaigns through various media, including television, internet, radio, outdoor and print media. Such advertising campaigns are typically either of a general nature related to our Company, or focussed on specific services, either existing or newly introduced, being provided by our Company. We may also carry out other promotional activities, such as campaigns to increase customer acquisition through our mobile applications and to increase our presence on social networks.

The primary objective of our matchmaking business is to facilitate marriages between individuals seeking prospective partners. The nature of this business involves considerable customer churn, given that we lose customers on an on-going basis when they find suitable matches. To address this, we are required to indulge in extensive advertising, brand building and business promotion initiatives in order to attract new customers to register on our website and to ensure that we maintain a critical mass of members on our websites at all points of time.

In furtherance of our micro-market strategy, we offer a range of targeted and customised matchmaking products such as CommunityMatrimony, which is a consortium of over 300 community matrimonial websites, and personalised matchmaking services to subscribers of EliteMatrimony and Assisted Service package. Our advertising and business promotion activities are therefore, required to be tailored to showcase not only our Bharatmatrimony brand, but our regional, religious, community, vernacular and caste-based matrimonial brands and personalised matrimonial services as well. Accordingly, we are required to invest significant resources for advertising in regional and local community channels (such as regional and vernacular television channels and radio frequencies) as well as advertising targeted to specific demographics (such as higher net worth individuals for EliteMatrimony), and in particular, in geographical markets that we plan to penetrate, in accordance with our business strategies.

Furthermore, our revenues from matchmaking services are significantly driven by the growth in our paid subscribers. Consequently, we need to invest, on a continuing basis, in advertising initiatives that are driven towards conversion of our existing free subscribers to paid subscribers as well as up-selling higher value subscription packages to our existing paying customers.

Accordingly, our advertising campaign objectives differ across various campaigns. For instance, our maintenance/ acquisition – based campaigns are focused to address continuous subscriber churn; our micro-market campaigns are designed to promote our specific religious, caste, vernacular and community based brands as well as our customised brands; our penetration campaigns are designed to promote conversion of free registrations to paid subscriptions; and our product-specific campaigns are designed to promote specific match-making, and other marriage services provided by us. Such advertising campaigns are formulated by taking into account various factors, including, but not limited to, changes in the demographics of our target population, campaigns by our competitors, media penetration, advertising rates, effectiveness of past campaigns and past choice of media, our evolving presence in various regions and markets, and our overall marketing and business strategy.

Our total advertising expenses, which we refer to as "advertisement and business promotion expenses" in our Restated Consolidated Summary Statements, were ₹ 532.52 million, ₹ 538.60 million and ₹ 522.30 million during Fiscals 2015, 2016, and 2017, respectively, on a consolidated basis and constituted 23.66%, 21.70% and 22.35% of our total expenses for such fiscal years, respectively, on a consolidated basis. We intend to continue to invest significant resources to further establish our brand through advertising and business promotion activities.

We incurred advertisement expenses of ₹ 525.18 million, ₹ 480.22 million and ₹ 473.28 million, respectively, on an unconsolidated basis in Fiscals 2015, 2016 and 2017. Provided below is a break-up of our advertisement expenses on an unconsolidated basis in the last three Fiscals.

*(in ₹ million)*

| S. no. | Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|---|
| 1. | Online advertising | 98.90 | 148.54 | 180.10 |
| 2. | Television advertising | 301.67 | 245.12 | 164.59 |
| 3. | Others (Production, Print, Radio, Others) | 70.86 | 58.70 | 143.56 |
| 4. | Agency Commission* | 1.85 | 27.86 | 36.93 |
| | **Total** | **473.28** | **480.22** | **525.18** |

**Agency Commission includes commission paid and marketing expenses reimbursed to certain subsidiaries, on an arm's length basis, in respect of media buying and marketing services.*

We incurred advertisement expenses of ₹ 502.59 million, ₹ 504.96 million and ₹ 476.68 million, respectively, on a consolidated basis in Fiscals 2015, 2016 and 2017. Provided below is a break-up of our advertisement expenses on a consolidated basis in the last three Fiscals.

*(in ₹ million)*

| S. no. | Particulars | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 |
|---|---|---|---|---|
| 1. | Online advertising | 99.50 | 179.48 | 182.27 |
| 2. | Television advertising | 303.88 | 252.17 | 182.39 |
| 3. | Others (Production, Print, Radio, Others) | 73.30 | 73.31 | 137.93 |
| | **Total** | **476.68** | **504.96** | **502.59** |

For additional details, see the section titled "*Our Business – Marketing*" on page 151.

In addition to our engagement on any other form of media towards our advertising and brand building activities which shall be funded by internal accruals, we propose to deploy ₹ 200 million in Fiscal 2018 out of the Net Proceeds towards placing advertisements on television channels.

***Advertising on television channels***

We undertake advertising on television channels through campaigns prepared by our advertising team, in liaison with advertising agencies from time to time, for segments on television programmes. For deploying such advertisements, we are required to purchase time slots from media agencies on the relevant television channels. In Fiscals 2015, 2016 and 2017, we spent ₹ 164.59 million, ₹ 245.12 million and ₹ 301.67 million, respectively, on an unconsolidated basis, and ₹ 182.39 million, ₹ 252.17 million and ₹ 303.88 million, respectively, on a consolidated basis, towards purchase of advertising time slots on television channels.

The quantum of advertising time that we purchase on television channels, as well as the mix of television channels that we deploy advertisements on is driven primarily by the objective of the underlying advertising campaign. For instance, in an acquisition based campaign, where the objective is to drive higher registration in under-penetrated markets, we purchase higher advertising time on "higher reach" channels, which are channels that are likely to be viewed by a larger number of households in the target population. We believe that this ensures that the viewership of our advertisements are higher and showcases our brand to a larger target audience. However, while undertaking a conversion based campaign, where the objective is to drive conversion from free users to paid users, and up-sell higher value subscription packages, we purchase higher advertising time on "higher frequency channels", which are channels that are likely to be viewed by target households for larger periods of time. We believe that this ensures that our paid services and their advantages over free services receive additional viewership from individuals that are already aware of our brands. Additionally, we factor in target audience characteristics viz. age profile, language preferences, etc. and consultations with advertising agencies on trending television programmes and our analysis of customer acquisition/ conversion trends subsequent to earlier advertising campaigns, in formulating the eventual television channel and advertising time mix.

Our current marketing strategies envisage substantial television advertising on account of several factors. The factors which have helped us evolve our marketing strategy, which is focused on advertising through television, include:

(i) marriage related decisions are typically driven significantly by the emotions of stakeholders involved in the process, and accordingly (based on past experience) advertisements through audio-visual media such as television can have a strong emotional connect with our target audience;

(ii) our target population is the young population of India, which we believe has greater exposure to, and is more receptive to content on television than other forms of media;

(iii) television penetration in Indian households and in particular, penetration of cable and satellite television has been increasing and that television has also grown to be a preferred choice of recreation throughout India; and

(iv) there has been an increase in the usage of television advertising by our competitors and other internet-based businesses, which has had a positive impact on their market share.

Accordingly, our current marketing strategy envisages a total expenditure of ₹ 200.00 million from the Net Proceeds for investment in television advertising. To further advertising and business promotion activities through television channels, we have entered into an agreement with M/s R. K. Swamy Media Group, a division of R K Swamy BBDO Private Limited (who has been associated with us in the past as a media buying agency for purchase of advertising time slots on radio and television channels) ("**R K Swamy**") dated July 24, 2015 ("**Advertising Slot Purchase Agreement**"), whereby, R K Swamy has been engaged, on a non-exclusive basis, as the media buying agency of our Company. In terms of the Advertising Slot Purchase Agreement, R K Swamy's scope of work will include planning and buying advertising time slots on television channels. By virtue of an amendment agreement dated September 19, 2016, the Advertising Agreement is valid until March 31, 2019.

R K Swamy has provided a quotation dated September 12, 2016 ("**Quotation Letter**"), setting forth an estimate of expenses towards purchase of advertising time slots on television channels. In terms of the Quotation Letter, an advertising time slot of ten seconds on high viewership programmes, in prime time, on national higher reach channels may cost between ₹ 5,000 to ₹ 95,000, and on regional higher reach channels, between ₹ 100 to ₹ 50,000 to purchase. A time slot of similar duration on more niche national higher frequency channels may cost between ₹ 500 to ₹ 7,000, and on regional higher frequency channels, between ₹ 100 to ₹ 5,000. In accordance with the Quotation Letter, we have estimated our marketing and branding expenditure for purchase of time-slots on television channels to aggregate ₹ 405.40 million in Fiscal 2018 (for purchase of 1,123.82 hours of advertising time) ("**Estimated TV Time Purchase Expenditure**"). We propose to deploy ₹ 200 million towards the Estimated TV Time Purchase Expenditure from the Net Proceeds and fund the balance amount from internal accruals.

As stated earlier, our deployment of advertising campaigns on television is contingent on various factors, such as the nature of the advertising campaigns, ratings of programmes or segments, expected viewership of our advertisements during certain time-slots and segments, and our Company's business and marketing plans. For instance, advertisements on well publicised segments on television channels (such as major sporting events, awards ceremonies or first-time movie releases on television) are likely to be viewed by a larger number of viewers, but advertising time-slots on such segments are likely to cost more than on other segments. Accordingly, we may choose to purchase more advertising time for certain desirable specific channels or segments and less advertising time in other channels or segments, in variance to that mentioned in the Quotation Letter, subject to the overall deployment of ₹ 200.00 million from the Net Proceeds for this purpose.

We, our Promoters and Directors are not associated with R K Swamy in any manner.

**2.** ***Purchase of land for construction of office premises in Chennai***

We propose to utilise ₹ 414.08 million from the Net Proceeds in Fiscal 2018 for purchase of land, which we propose to use for construction of office premises in Chennai. Once constructed, we propose to utilise these premises for various purposes, including to shift our product development team from the current leased premises at Adayar, Chennai to the new office premises. We believe that this will improve our operational efficiency, including reduction of our lease rental costs.

***Estimated cost***

A break-down of the estimated cost and description of cost items associated with this object is set forth below:

*(₹ in million)*

| S. No. | Particulars | Estimated Cost |
|---|---|---|
| 1. | Cost of purchase of land | 380.59 |
| 2. | Transaction advisory costs | 2.24 |
| 3. | Stamp duty and registration fee | 31.25 |
| | **Total** | **414.08** |

*Cost of purchase of land*

The proposed office will be constructed 1.64 acres of land located at plots no.170, 171 and 172, Developed Plots Estate, Perungudi, Palavakkam village, Tambaram taluk, Neelankarai District, South Chennai ("**Land**"). We propose to procure the Land from Alpump Limited (a company of the TAFE group) ("**Alpump**"). By virtue of a memorandum of understanding dated September 16, 2016 with Alpump ("**Alpump MoU**"), the purchase price for the Land is ₹ 390.59 million. We have paid a one-time commitment fee of ₹ 10 million (funded from our internal accruals) towards securing of rights to this Land. Under the Alpump MoU, the balance purchase price for the Land is required to be paid as mutually agreed by our Company and Alpump no later than November 30, 2016. By amendment agreements dated November 22, 2016 and December 28, 2016, the timeline for purchase of the Land has been mutually extended by us and Alpump to July 31, 2017. The Additional Chief Secretary, Industries Commissioner and Director of Industries and Commerce ("**Department**") has, by a letter dated November 16, 2016, conveyed its no-objection for the sale of the Land to us subject to certain conditions, including execution of a memorandum of understanding with the Department within 30 days of completion of the sale.

In terms of the Alpump MoU, Alpump has agreed to provide us with their assistance in facilitating the purchase of the Land, including obtaining any consents and approvals that may be required for consummation of the sale (including the no-objection from the jurisdictional income tax officer under section 281 of the IT Act to the effect that the income tax department does not have any objections to the sale). The Alpump MoU is currently valid till July 31, 2017. In the event that we are unable to complete the purchase by such date, Alpump will be entitled to retain up to 50% of the commitment fee paid by us, and also claim reimbursement of expenses incurred by it to obtain any consents/ approvals required for the sale of the Land. See also the section titled "*Risk Factors – Any delay in the schedule of implementation or inability to effect any of the objects of the Fresh Issue might have an adverse impact on our profitability*" on page 37.

Alpump is a public limited company incorporated under the Companies Act, 1956. Its registered office is located at No. 170-172, Industrial Estate, Perunugudi, Chennai 600 096. It is engaged in the business of manufacturing components for the tractor industry. We, our Promoter or our Directors are not associated with Alpump in any manner.

*Transaction advisory costs*

We have engaged Knight Frank India (Private) Limited ("**Knight Frank**") for providing transaction advisory services, in connection with the purchase of the Land. By their letter dated April 24, 2017, Knight Frank has informed us that it will charge a fee of 0.5% of the total sale consideration (and applicable service charges) of the Land at the time of signing of the sale deed and completion of registration. In the event of any non-payment, Knight Frank will charge interest at the rate of 14% *p.a.* for every day of delayed payment.

Accordingly, an amount of ₹ 2.24 million will be utilised by us from the Net Proceeds for payment of transaction advisory fees to Knight Frank in connection with the purchase of the Land.

*Stamp duty and registration costs*

We will be required to pay stamp duty and registration charges in connection with transfer of the Land in our favour. An aggregate of 8% on the higher of the sale price of the Land, or the prevailing 'guideline value' for the village/ district in which the Land is located, is payable as stamp duty and registration charges. The guideline value is notified by the Department of Registration, Government of Tamil Nadu from time to time. Based on the sale price of the land being ₹ 390.59 million, we estimate that stamp duties and registration charges of ₹ 31.25 million is payable in connection with purchase of the Land. Any additional duties/ charges payable if the guideline value, at the time of registration, is higher than the sale price will be met through internal accruals.

**3.** ***Repayment of our overdraft facilities***

We have availed of certain overdraft facilities from HDFC Bank Limited. As on March 31, 2017, an amount of ₹ 443.76 million was outstanding from these facilities. For further details, see the section titled "*Financial Indebtedness*" on page 361.

We intend to utilise an amount of ₹ 443.76 million out of the Net Proceeds in Fiscal 2018 to repay in full, outstanding amounts in respect of this overdraft facility. Repayment of these facilities would help us in maintaining a favourable debt-equity ratio and enhance our leveraging capability. As certified by Kumar Bagri & Associates, Chartered Accountants, this overdraft facility has been utilised by us in accordance with the terms and conditions of their sanction.

We may be required to notify HDFC Bank Limited prior to the repayment, which we shall do prior to such repayment.

**4**. ***General Corporate Purposes***

We intend to deploy the balance Net Proceeds, if any, for general corporate purposes, as may be approved by our management, including the following:

(i) Strengthen our network capabilities;
(ii) operating expenses; and
(iii) meeting on-going general corporate exigencies.

We, in accordance with the policies of our Board, will have flexibility in utilising the Net Proceeds for general corporate purposes, as mentioned above, subject to such utilization not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI Regulations. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

**Working capital requirement**

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements in the future through internal accruals or availing of new lines of credit.

**Offer related expenses**

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer shall include, among others, underwriting and management fees, selling commissions, SCSBs' commissions/fees, printing and distribution expenses, legal fees, issue advertisement expenses, registrar and depository fees and listing fees.

All Offer related expenses shall be shared by our Company and the Selling Shareholders in proportion to the number of Equity Shares in the Fresh Issue and the Offer for Sale, respectively, in accordance with applicable law.

The estimated Offer expenses are as under:

*(₹ in million)*

| Activity | Estimated expenses* | As a % of the total estimated Offer expenses | As a % of the total Offer size |
|---|---|---|---|
| Fees payable to the BRLMs | [●] | [●] | [●] |
| Commission and processing fees for SCSBs (1) | [●] | [●] | [●] |
| Brokerage and selling commission for Registered Brokers, RTAs and CDPs (2) | [●] | [●] | [●] |
| Registrar to the Offer | [●] | [●] | [●] |
| Other advisors to the Offer | [●] | [●] | [●] |
| Bankers to the Offer | [●] | [●] | [●] |
| Others: | | | |
| (i) Listing fees; | [●] | [●] | [●] |
| (ii) Printing and stationery expenses; | [●] | [●] | [●] |
| (iii) Advertising and marketing; and | [●] | [●] | [●] |
| (iv) Miscellaneous. | [●] | [●] | [●] |
| | [●] | [●] | [●] |
| **Total estimated Offer expenses** | [●] | [●] | [●] |

**Will be incorporated at the time of filing of the Prospectus.*

*(1) SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable service tax) per ASBA Form, for processing the ASBA Form procured by the Designated Intermediaries (other than the SCSBs themselves) and submitted to the SCSBs.*

*(2) Registered Brokers, RTAs and CDPs will be entitled to a commission of ₹ [●] (plus applicable service tax) per valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.*

*Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ [●] (plus applicable service tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.*

**Appraisal and Bridge Loans**

The above fund requirements have not been appraised by any bank or financial institution. Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

**Means of Finance**

The amounts towards each of the objects detailed above are intended to be funded completely from the Net Proceeds. Accordingly, we confirm that there is no need for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the Net Proceeds and existing identifiable internal accruals.

**Interim Use of Net Proceeds**

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934.

**Monitoring of Utilization of Funds**

As on the date of this DRHP, we are not required to appoint a monitoring agency under Regulation 16(1) of the SEBI Regulations since the size of the Fresh Issue does not exceed ₹ 5,000 million. If required, our Company will appoint a monitoring agency in relation to the Fresh Issue prior to the filing of the Red Herring Prospectus. Our Board and the monitoring agency, if appointed will monitor the utilization of Net Proceeds and the monitoring agency will submit a report to us in terms of Regulation 16(2) of SEBI Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall also, on a quarterly basis disclose to the Audit Committee the use and application of the Net Proceeds. Additionally, our Audit Committee shall review the report submitted by the monitoring agency, if appointed, and make recommendations to our Board for further action, if appropriate.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, our Company will furnish a quarterly statement to the Stock Exchange indicating deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. This information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under the SEBI Listing Regulations and would be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of the SEBI Listing Regulations.

**Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Directors, Key Management Personnel and the members of our Promoter Group or Group Entities, except in the ordinary course of business.

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects, unless authorised by our shareholders in a general meeting by way of a special resolution. Additionally, the notice in respect of such resolution issued to the shareholders shall contain details as prescribed under the Companies Act, 2013 and such details of the notice, clearly indicating the justification for such variation, shall also be published in one English and one vernacular newspaper in the city where the registered office of our Company is situated, as per the Companies Act, 2013 and the rules framed there under. Pursuant to the Companies Act, 2013, our Promoter or controlling shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, in accordance with the AoA, and prescribed by SEBI.

We further confirm that the Net Proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

## BASIS FOR OFFER PRICE

The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 5 per share and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.

Investors should also refer to the sections "*Risk Factors*" and "*Financial Information*" and the chapter "*Our Business*" beginning on pages 17, 202 and 138, respectively, to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

Some of the qualitative factors which form the basis of the Offer Price are:

1. Large database of profiles and consequential network effect;

2. Micro-market strategy and customized or personalized services;

3. Strong consumer brand;

4. Wide on-the-ground network for customer acquisition and support;

5. Robust technology and analytics; and

6. Efficient business model.

For a detailed discussion of the above qualitative factors, which form the basis for computing the Offer Price, please see the chapter "*Our Business*" and the section "*Risk Factors*" beginning on pages 138 and 17, respectively.

### QUANTITATIVE FACTORS

Some of the information presented in this section relating to our Company is derived from our Company's Financial Statements for fiscal years 2017, 2016 and 2015, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. For more details on the financial information, please see the section "*Financial Information*" beginning on page 202. The ratios presented below from the Financial Statements are post-consolidation of shares.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. **Basic and Diluted Earnings Per Share ("EPS")**

    a. As per Restated Unconsolidated Summary Statements:

| Period | Basic EPS (₹) | Diluted EPS (₹) | Weights |
|---|---|---|---|
| Fiscal 2017 | 11.9 | 10.5 | 3 |
| Fiscal 2016 | (15.63) | (15.63) | 2 |
| Fiscal 2015 | (3.07) | (3.07) | 1 |
| **Weighted Average** | **0.23** | **(0.47)** | |

    b. As per Restated Consolidated Summary Statements:

| Period | Basic EPS (₹) | Diluted EPS (₹) | Weights |
|---|---|---|---|
| Fiscal 2017 | 23.13 | 20.40 | 3 |
| Fiscal 2016 | (50.80) | (50.80) | 2 |

| Period | Basic EPS (₹) | Diluted EPS (₹) | Weights |
|---|---|---|---|
| Fiscal 2015 | (2.01) | (2.01) | 1 |
| **Weighted Average** | (5.70) | (7.07) | |

Note 1: EPS can be defined as below:

| | |
|---|---|
| Basic Earnings per share (₹) | Net profit / (loss) after taxes (as restated) from continuing operations/ Net profit / (loss)after taxes (as restated) from total operations attributable to equity shareholders<br>———<br>Weighted average number of equity shares outstanding during the year |
| Diluted Earnings per share (₹) | Net profit / (loss) after taxes (as restated) from continuing operations/ Net profit /(loss) after taxes (as restated) from total operations<br>———<br>Weighted average number of diluted equity shares outstanding during the year |

Note 2: Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

Note 3: Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly

2. **Price Earning Ratio ("P/E") in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of face value of ₹ 5 each**

a. P/E based on Basic EPS for the year ended March 31, 2017:

| **Particulars** | **P/E (Unconsolidated)** | | **P/E (Consolidated)** | |
|---|---|---|---|---|
| | **P/E at the Floor Price** | **P/E at the Cap Price** | **P/E at the Floor Price** | **P/E at the Cap Price** |
| P/E based on Basic EPS | [●] | [●] | [●] | [●] |
| P/E based on Weighted Average Basic EPS | [●] | [●] | [●] | [●] |

b. P/E based on Diluted EPS for the year ended March 31, 2017:

| **Particulars** | **P/E (Unconsolidated)** | | **P/E (Consolidated)** | |
|---|---|---|---|---|
| | **P/E at the Floor Price** | **P/E at the Cap Price** | **P/E at the Floor Price** | **P/E at the Cap Price** |
| P/E based on Diluted EPS | [●] | [●] | [●] | [●] |
| P/E based on Weighted Average Diluted EPS | [●] | [●] | [●] | [●] |

3. **Return on Net Worth ("RoNW")**

a. As per Restated Unconsolidated Summary Statements:

| Period | RoNW (%) | Weight |
|---|---|---|
| Fiscal 2017 | 1906.03 | 3 |
| Fiscal 2016 | (94.25) | 2 |
| Fiscal 2015 | (316.49) | 1 |
| **Weighted Average** | **868.85** | |

b. As per Restated Consolidated Summary Statements:

| Period | RoNW (%) | Weight |
|---|---|---|
| Fiscal 2017 | 140.63 | 3 |
| Fiscal 2016 | (98.66) | 2 |
| Fiscal 2015 | (314.67) | 1 |
| **Weighted Average** | **(15.02)** | [●] |

Note 1:

$$\text{Return on net worth (\%)} = \frac{\text{Net profit / (loss) after tax (as restated)}}{\text{Net worth at the end of the year including preference share capital}}$$

Note 2: Net worth = Equity share capital + Reserves and surplus (including Securities Premium and surplus / (deficit) in statement of profit and loss) + Preference share capital. These ratios have been computed after considering the retrospective adjustment of the bonus shares and consolidation of share capital.

4. **Minimum Return on Net Worth required to maintain pre-Offer EPS for the year ended March 31, 2017**

a. Unconsolidated

| Particulars | Minimum RoNW (%) at the Floor Price | Minimum RoNW (%) at the Cap Price |
|---|---|---|
| To maintain pre-Offer Basic EPS for the year ended March 31, 2017 | [●] | [●] |
| To maintain pre-Offer Diluted EPS for the year ended March 31, 2017 | [●] | [●] |

b. Consolidated

| Particulars | Minimum RoNW (%) at the Floor Price | Minimum RoNW (%) at the Cap Price |
|---|---|---|
| To maintain pre-Offer Basic EPS for the year ended March 31, 2017 | [●] | [●] |
| To maintain pre-Offer Diluted EPS for the year ended March 31, 2017 | [●] | [●] |

5. **Net Asset Value per Share**

a. NAV per Share: Post Consolidation of Shares (Refer note 3 below)

| Particulars | As on Mar 31 2017 (₹) | As on Mar 31, 2016 (₹) | As on Mar 31, 2015 (₹) |
|---|---|---|---|
| As per Restated Unconsolidated Summary Statements | (0.56) | (11.58) | (0.67) |
| As per Restated Consolidated Summary Statements | (14.67) | (35.95) | (0.44) |

b. Offer Price: ₹ [●] per Share

c. NAV after the Offer: ₹ [●] per Share

Note 1:

$$\text{Net asset value per share (Rs.)} = \frac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year + Potential equity shares from convertible preference shares}}$$

Note 2: Net worth = Equity share capital + Reserves and surplus (including Securities Premium and surplus / (deficit) in statement of profit and loss) + Preference share capital. These ratios have been computed after considering the retrospective adjustment of the bonus shares and consolidation of share capital.

## 6. Comparison with Industry Peers

Our Company is a provider of online matrimonial services, including online matchmaking services, marriage services and related sale of other products and services. We believe none of the listed companies in India are focused on these segments. There are, however, internet based services in India, which are listed in the peer group companies as below:

| Name of the Company | Revenue from operations (₹in million | Face Value per Equity share (₹) | Basic EPS (₹) | P/E | RoNW (%) | NAV (₹) |
|---|---|---|---|---|---|---|
| Just Dial | 6908.28 | 10 | 20.13 | 26.21 | 21.09% | 96.67 |
| Info Edge | 9382.02 | 10 | (20.92) | N.A. | (19.55)% | 96.02 |

*Source: Annual reports (for the year ended March 31, 2016) and NSE Price data as on March 31, 2017.*
*Note 1: Basic EPS = Basic Earnings per share; P/E = Price per share / Basic EPS; RoNW = Return on Net Worth; NAV = Net Asset Value per share, N.A. – Not applicable.*
*Note 2: Basic EPS, P/E, RoNW and NAV as stated above are based on consolidated operations.*
*Note 3: Basic EPS is as reported by the company.*
*Note 4: Net worth = Share Capital + Reserves and Surplus, as reported by the company*
*Note 5: RoNW has been calculated as Profit After Tax divided by average of net worth at the beginning of the financial year and net worth at the end of the financial year*
*Note 6: NAV has been calculated as net worth at the end of the financial year divided by common equity shares outstanding at the end of the financial year. Common equity shares outstanding is as reported by the company.*

## 7. The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] per Equity Share is [●] times the face value of ₹ 5 per equity share. The Offer Price has been determined by the Company and Selling Shareholders in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*", "*Business*" and "*Financial Statements*" on pages 17, 138 and 202 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section "*Risk Factors*" beginning on page 17 or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

May 1, 2017

The Board of Directors
Matrimony.com Limited
No:94, TVH Beliciaa Towers, $10^{th}$ Floor, Tower 2,
MRC Nagar, Mandaveli,
Chennai – 600028

Dear Sirs,

**Statement of Possible Special Tax Benefits available to Matrimony.com Limited and its shareholders under the Indian tax laws**

1. We hereby confirm that the enclosed Annexure, prepared by Matrimony.com Limited ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2017, i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. We do not express any opinion or provide any assurance as to whether:

    i) the Company or its shareholders will continue to obtain these benefits in future;
    ii) the conditions prescribed for availing the benefits have been / would be met with; and
    iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

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

**Shankar Srinivasan**
Partner
Membership Number: 213271
Place of Signature: Hyderabad

## ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 and Income-tax Rules, 1962 (together "tax laws") in force in India.

**I. Special tax benefits available to the Company**

There are no special tax benefits available to the Company.

**II. Special tax benefits available to the Shareholders of the Company**

There are no special tax benefits available to the Shareholders of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2018-19. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION IV – ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*The information in this section is derived from reports of various governmental agencies, industry reports and other publicly available sources. This includes the information available on the websites of, in the reports or adapted from the reports of and/or from the databases of, United States Central Intelligence Agency "World Factbook" (the "**CIA Factbook**"); the Internet World Stats statistics available at http://www.internetworldstats.com; traffic share distribution from April 2014 to March 2017 for Matrimony.com, Jeevansathi and Shaadi.com matrimonials compiled by comScore, Inc. (the "**comScore Report**"); and the industry report dated May 4, 2017 entitled "Market Study of Online Matrimony & Marriage Services in India" (the "**KPMG Report**") prepared by KPMG, an independent management consultant, pursuant to an engagement with the Company. The KPMG Report contains disclaimers and scope limitations pertaining to the work performed by it, a summary of which is set out below. The KPMG Report should be referred to for the full text of the disclaimers and scope limitations.*

*The information contained in the KPMG Report is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on the information contained in the KPMG Report or any part thereof, without appropriate professional advice and due consideration. The KPMG Report reflects the position only as of the date of the KPMG Report, pursuant to an engagement letter between the Company and KPMG dated April 26, 2017, and KPMG does not undertake to update the information already contained in the KPMG Report. KPMG has subsequently consented to inclusion of extracts of the KPMG Report prepared by it in this Draft Red Herring Prospectus through its letter dated May 4, 2017. The KPMG Report does not attest the capabilities of our Company. The KPMG Report sets forth KPMG's views based on completeness and accuracy of the facts stated to it by the Company, and KPMG assumes no responsibility for the same. While performing the work, KPMG has assumed the genuineness of all signatures and the authenticity of all original documents in respect of the information received by it. It has not independently verified the correctness or authenticity of the same. KPMG has not performed an audit and does not express an opinion, or any other form of assurance. Further, comments in the KPMG Report are not intended, nor should they be interpreted to be legal advice or opinion. While information obtained from the public domain or external sources ("**Information**") has not been verified for authenticity, accuracy or completeness, KPMG has obtained Information, as far as possible, from sources generally considered to be reliable, inter alia, from the Internet and Mobile Association of India ("**IAMAI**"). KPMG does not guarantee the accuracy, adequacy or completeness of Information and is not responsible for any errors or omissions in the Information or for the results obtained from the use of such Information. The KPMG Report may make reference to "KPMG Analysis"; this indicates only that it has (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; KPMG does not accept responsibility for the veracity of underlying Information. KPMG's views are not binding on any person, entity, authority or court; hence, no assurance is given that a position contrary to the opinions expressed in the KPMG Report will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law. In accordance with its policy, KPMG disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers/users/transmitters/distributors in the Offer who uses or relies upon the KPMG Report or extracts therefrom. The KPMG Report cannot and do not make a recommendation to anyone for investment in the Company.*

*Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the section titled "Risk Factors" on page 17. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section titled "Risk Factors" on page 17.*

### Indian Demographics for Matchmaking and Marriages

India is one of the world's most populous countries with an estimated population of approximately 1.27 billion as of July 2016, which equates to 17.30% of the world population, according to the CIA Factbook.

Based on the KPMG Report, as of 2016, it is estimated that there were approximately 373 million individuals in India within the marriageable age bracket, being 18 to 35 years for females and 21 to 35 years for males, of whom 107 million were unmarried. Based on the KPMG Report, 59.00% of the unmarried population in India falls within the ages of 18 to 24 years, being the age group in which the majority of the Indian population gets married. In addition, approximately 40.00% and 60.00% of the 107 million unmarried individuals are located in urban and rural areas, respectively.

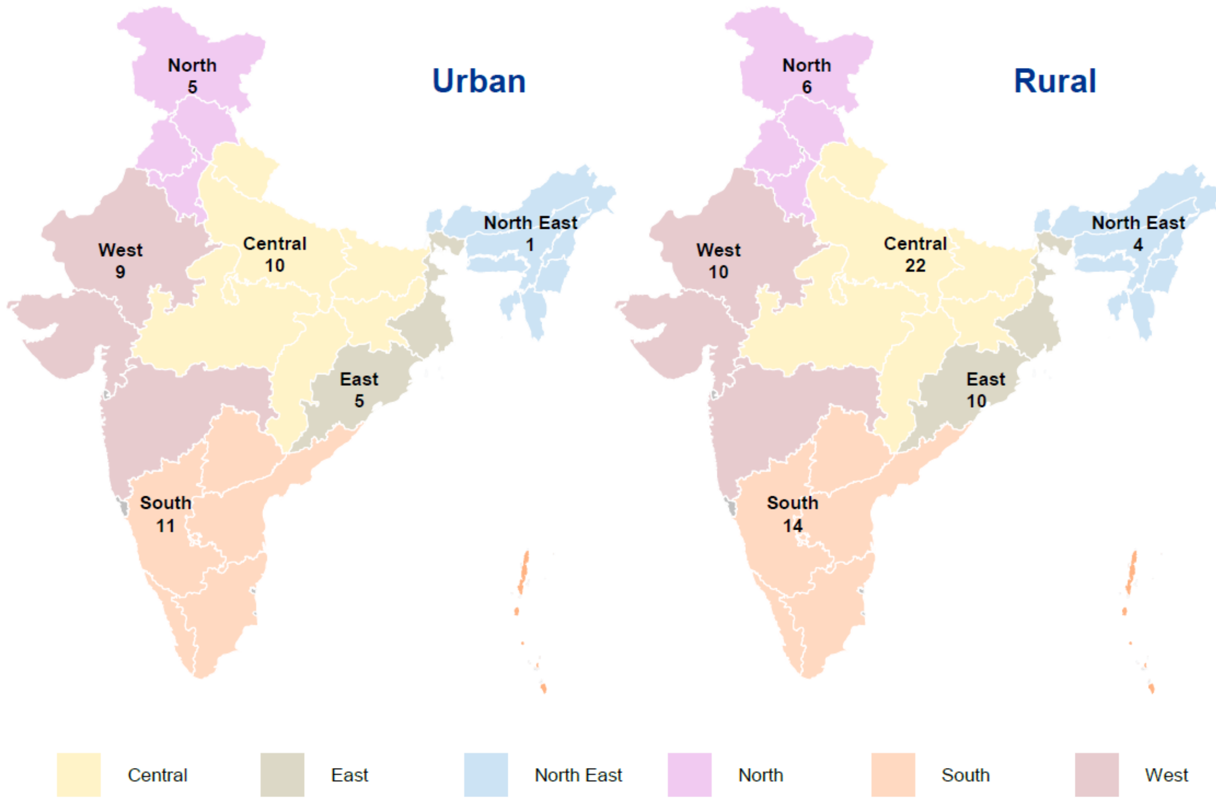
Based on the KPMG Report, it is also estimated that approximately 65.00% of the Indian population is under 35 years. The young base will get married in the next two decades and result in an average of 11 to 13 million weddings per year until 2021.

| All figures for 2016E (In millions) | India | Urban | Rural |
|---|---|---|---|
| **Total Population[1]** | 1,291 | 399 | 893 |
| **Target Population (18 to 35 Female & 21 to 35 Male)** | 373 | 121 | 252 |
| **A. 21 to 35 years – Male** | 174 | 57 | 117 |
| **B. 18 to 35years – Female** | 199 | 64 | 135 |
| **C. Unmarried[2] population from A + B** | **107** | **41** | **66** |
| **D. Unmarried – Male (21 to 35 years)** | 60 | 23 | 37 |
| **E. Unmarried – Female (18 to 35 years)** | 47 | 18 | 29 |

Source: Census 2011, KPMG Analysis

- [1]Total population for year 2016 has been extrapolated from census 2011 age data, table C2
- [2]The estimates for never married, divorced, separated and widowed people has been extrapolated from 2011 census
- [2]Unmarried population includes people who are never married, divorced, separated and widowed
- Urban - Minimum population of 5,000; Minimum density of 400 per sq. km; Minimum 75% of male workers in non-agriculture pursuits; all non urban are classified as rural

There is an even spread of unmarried individuals between urban and rural areas in North, West and South India while the spread of unmarried individuals in East, North-east and Central India is skewed towards the rural areas.




Source: Census 2011, KPMG Analysis

**Overview of Matchmaking Industry in India**

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

The online matchmaking industry is still at a nascent stage and accounts for approximately 6.00% of marriages in India. The online matchmaking industry in India is also a very fragmented market with over 2,600 wedding portals, only a handful of players of which have some scale and 700 of which are an extension of the community bodies which traditionally played a major role in alliance and matchmaking (source: http://www.business-standard.com/article/companies/booming-biz-of-online-marriages-111122200022_1.html ).

According to the comScore Report, Matrimony.com is the leader for online matchmaking services in India in terms of the average number of website pages viewed by unique visitors.

| Month | Website | Unique visitors (‘000s) | Time spent (minutes) (millions) | Total pages viewed (millions) | Average pages per visitor | Average minutes per visitor | Unique visitors × Average pages per visitor (‘000s) |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| Mar-17 | Matrimony.com* | 991 | 164 | 486 | 490 | 165 | 486,070 |
| Mar-17 | Shaadi.com matrimonials^ | 469 | 42 | 81 | 173 | 90 | 80,859 |
| Mar-17 | Jeevansathi | 412 | 27 | 54 | 131 | 66 | 53,955 |
| | | | | | | | 620,884 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep-16 | Matrimony.com* | 1,047 | 83 | 244 | 233 | 79 | 243,645 |
| Sep-16 | Shaadi.com matrimonials^ | 762 | 40 | 86 | 113 | 52 | 85,987 |
| Sep-16 | Jeevansathi | 401 | 20 | 37 | 93 | 50 | 37,459 |
| | | | | | | | 367,091 |
| Mar-16 | Matrimony.com* | 1,479 | 88 | 292 | 197 | 60 | 291,945 |
| Mar-16 | Shaadi.com matrimonials^ | 844 | 62 | 143 | 169 | 73 | 143,028 |
| Mar-16 | Jeevansathi | 475 | 21 | 40 | 85 | 44 | 40,334 |
| | | | | | | | 475,307 |
| Sep-15 | Matrimony.com* | 1,511 | 117 | 324 | 215 | 77 | 324,359 |
| Sep-15 | Shaadi.com matrimonials^ | 996 | 48 | 138 | 138 | 48 | 137,591 |
| Sep-15 | Jeevansathi | 521 | 21 | 41 | 78 | 41 | 40,879 |
| | | | | | | | 502,829 |
| Mar-15 | Matrimony.com* | 1,795 | 95 | 283 | 158 | 53 | 283,106 |
| Mar-15 | Shaadi.com matrimonials^ | 1,341 | 58 | 154 | 115 | 43 | 153,888 |
| Mar-15 | Jeevansathi | 616 | 26 | 54 | 88 | 42 | 54,180 |
| | | | | | | | 491,174 |
| Sep-14 | Matrimony.com* | 1,518 | 80 | 232 | 153 | 53 | 232,460 |
| Sep-14 | Shaadi.com matrimonials^ | 1,177 | 40 | 118 | 100 | 34 | 118,298 |
| Sep-14 | Jeevansathi | 527 | 21 | 48 | 90 | 40 | 47,528 |
| | | | | | | | 398,286 |

Source: comScore Matrimony Data (2014 to 2017)

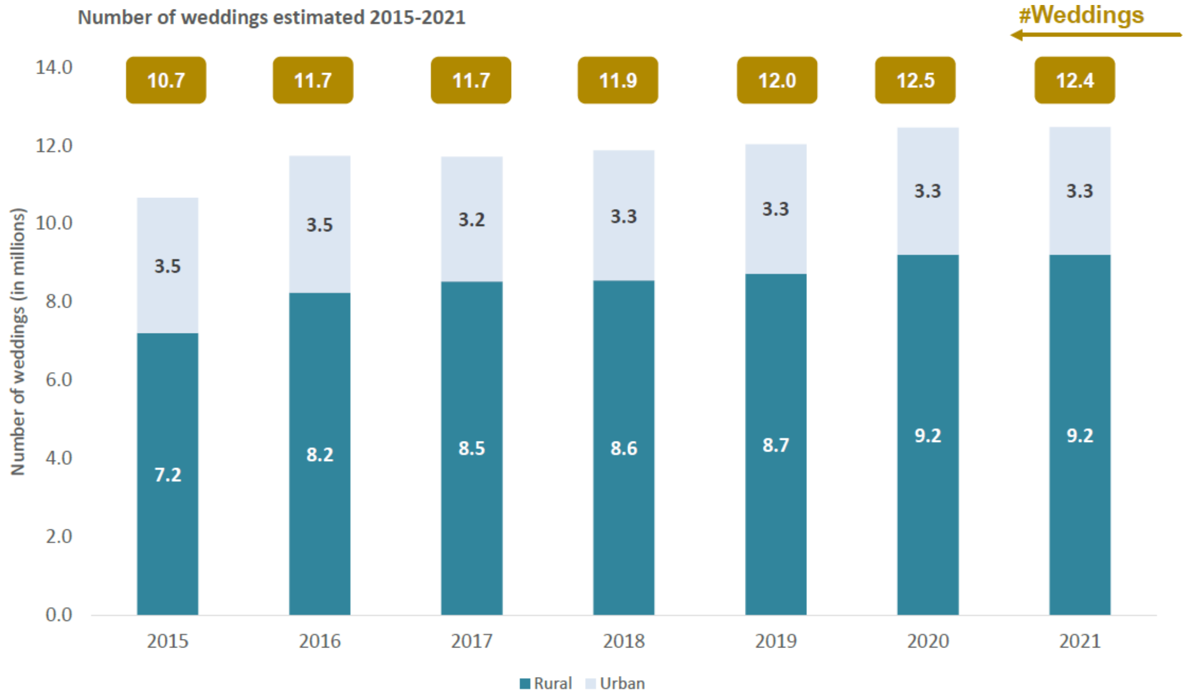
* Matrimony.com data does not include data from all sites under Matrimony.com

^ Shaadi.com matrimonials data does not include data from all sites under Shaadi.com

***Key Drivers of Growth for Online Matchmaking in India***

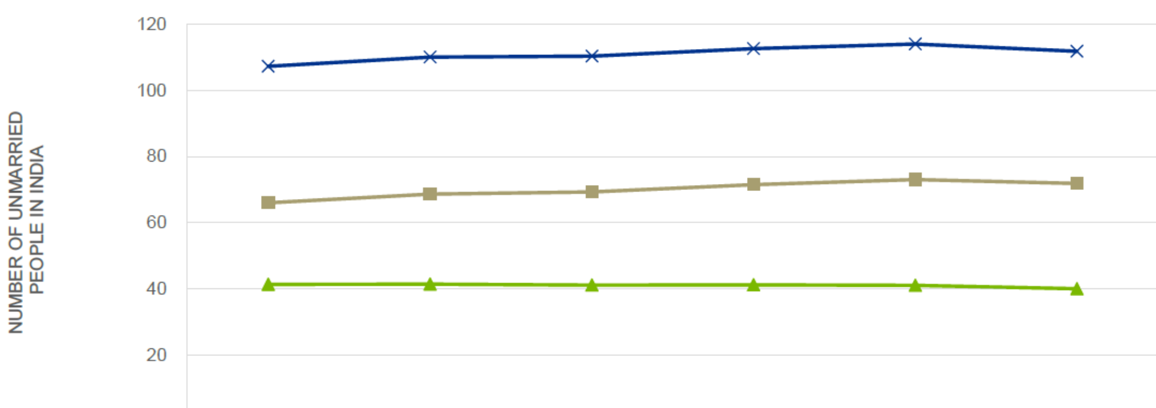
*Favorable demographic trends*

Based on the KPMG Report, approximately 11.70 million marriages took place in India in 2016, which translates to approximately 23.40 million individuals who got married in India in 2016. Further, it is estimated that in 2016, of the 107 million individuals in India who were unmarried, there were approximately 63 million individuals in India who were actively seeking prospective life partners. Based on the KPMG Report, the population within the marriageable age bracket in India will grow at an average rate of 0.84% until 2021 and that approximately 60.5 million weddings will take place in India from 2017 to 2021 (both years included).




Source: Census 2011, KPMG Analysis

Note: The number of marriages have been estimated basis the mean age of marriage (female) by state, and the number of girls at that age during a particular year. The number of marriages have been calculated on a rolling basis and keeping the mean age of marriage constant.




| | 2016E | 2017E | 2018E | 2019E | 2020E | 2021E |
|---|---|---|---|---|---|---|
| Rural | 66 | 69 | 69 | 71 | 73 | 72 |
| Urban | 41 | 41 | 41 | 41 | 41 | 40 |
| Grand Total | 107 | 110 | 110 | 113 | 114 | 112 |

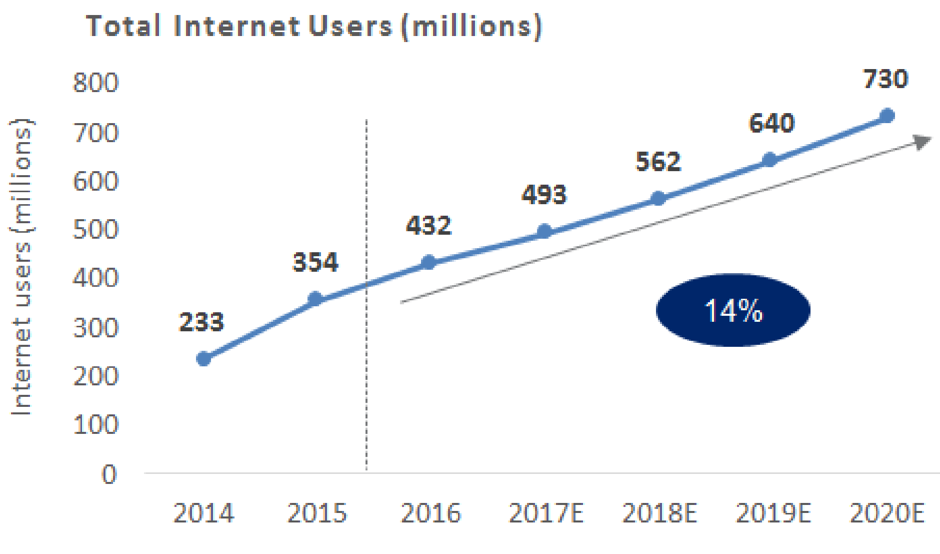
Source: Census 2011, KPMG Analysis

**Note: Population numbers pertain to females in the age group 18 – 35, males in the age group of 21 – 35**
The projections factors in a constant rate of rural to urban migration at 3.4% of the rural population. As per 2011 census estimates, the net rural to urban migration was ~14 million; 1.7% of the total rural population. This rate has been doubled for the population in the said age group

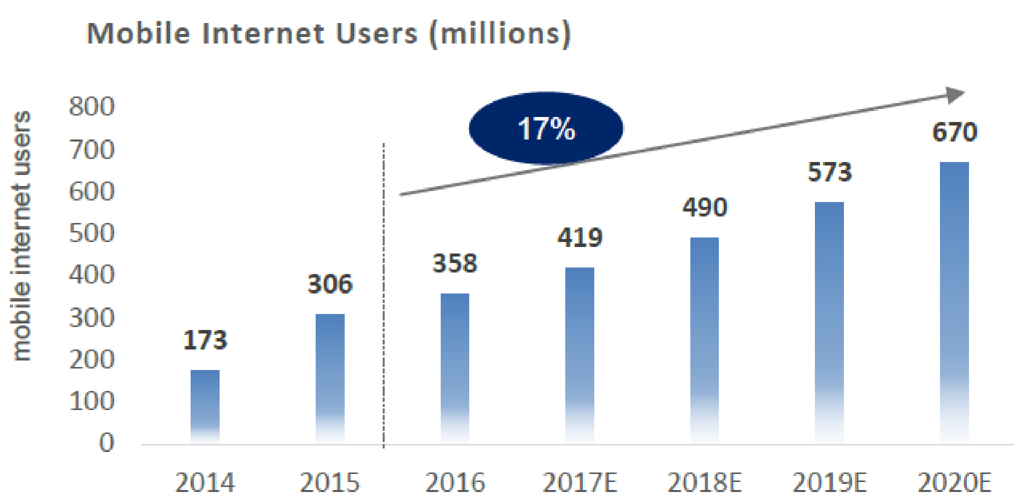
*Increasing internet and mobile internet penetration*

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

It is estimated that as of July 1, 2016, there were approximately 462 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile) and connection) in India, with an Internet penetration of 34.80% (source: http://www.internetlivestats.com/). The number of Internet users in India is expected to reach over 730 million users by fiscal 2020, which would increase the penetration level to approximately 54.00% of the Indian population. By comparison, as of July 1, 2016 the penetration level was approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com/). In addition, according to the KPMG Report, it is estimated that mobile Internet penetration in India will grow at an average CAGR of 17.00% to reach 670 million users by fiscal 2020

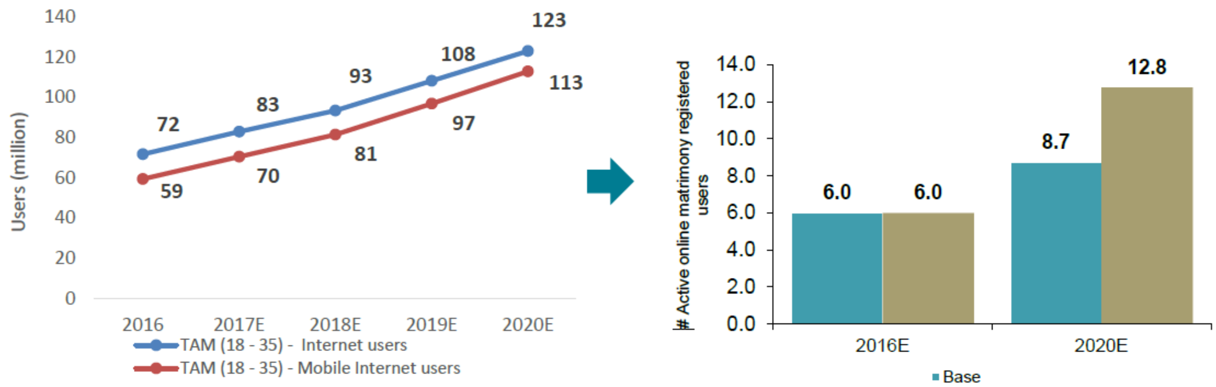



Source: Industry Estimates, KPMG Analysis, IAMAI, TRAI




Source: Industry Estimates, KPMG Analysis, IAMAI, TRAI

In addition, it is assumed that the Internet penetration for the age group of 18 to 35 years is twice the Internet penetration for India. This increase in Internet penetration is expected to translate into an increased base of Internet users and mobile Internet users for this age group. Further, it is estimated that these two factors will lead to an increase in the active user base from 6.0 million in 2016 to 8.7 million in 2020 in a base case scenario. The active user base for online matchmaking could also increase to 12.80 million in 2020 if there is a shift from offline to online channels for matchmaking.




Source: KPMG Analysis

**Base case –** Assumes the current online matrimony penetration (currently at 14%) within the active seekers who have internet access
**Scenario 1 –** Assumes online matrimony penetration increases by 10% each year, i.e. online matrimony penetration within active seekers (with internet) to 19% in FY20

*Cultural receptivity to arranged marriages*

Arranged marriages have been traditionally accepted by the Indian society as a means by which brides, grooms, their immediate family, relatives and friends, community elders, matchmaking agencies and matrimonial sites, searched for a potential marriage partner for an individual in light of such individual's backgrounds, including religion, caste and regional origin. Parents tend to be the primary decision makers although with increasing education levels, the bride and groom are also having their say. Notwithstanding changes which have taken place in the Indian society, arranged marriage has continued to maintain its vitality as the societal institution. According to the United Nations Children's Fund, Human Rights Council, ABC News, as of 2016, approximately 88.40% of marriages in India are arranged (source: "Arranged/Forced Marriage Statistics – Statistic Brain" Statistic Brain Research Institute, publishing as Statistic Brain. August 16, 2016 http://www.statisticbrain.com/arranged-marriage-statistics/) and the remaining 11.60% of marriages in India are closer to love marriages, being marriages based upon mutual love, affection, commitment and attraction.

*Increasing mobility of individuals in Indian society*

Increasing number of Indians are leaving their native places and moving out of India or their own societies in search of a job or a better lifestyle. However, when it comes to marriage, it has been ordinarily seen that they prefer to get married with people from their communities with similar background in terms of caste, religion, linguistic and regional features. In fact, one of the primary drivers of online matchmaking sites initially was the non-resident Indian segment, where potential non-resident Indian bridegrooms started using these online services extensively in search of Indian brides. The share of resident Indian segment in the total traffic on online matchmaking sites is expected to rise as similar trend of increasing mobility is witnessed within India. Creation of new industry clusters in various parts of India have led to a movement of young Indians to places where they could find an ideal job and this segment is expected to drive the growth in the resident Indian segment.

*Increased freedom of choice over life decisions*

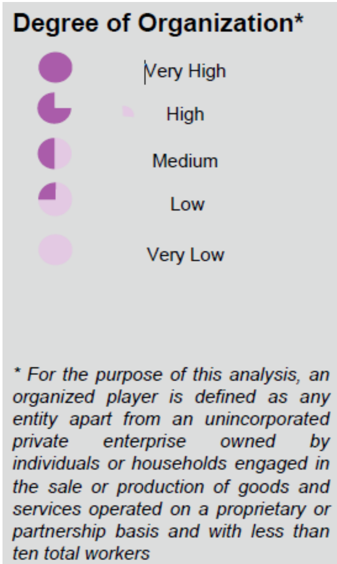
A multitude of factors like increased exposure to other cultures, higher educational levels and joint families giving way to nuclear families in the Indian society has led to new generation of Indians who are more actively taking control over taking their lives. The younger generation today is increasingly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

**Overview of Marriage Services Industry in India**

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

***Degree of Organization for Service Providers***

| Category | Definition | Operating Model | Industry Structure |
|---|---|---|---|
| **Venue** | • Physical area where various wedding ceremonies take place; could be indoor/outdoor | • Split into indoor (hotels, banquet halls) and outdoor (farmhouses/part plots) booked directly/ via contractors<br>• No. of guests is a key driver | |
| **Decorations** | • Includes floral, lighting and stage decorations | • Largely unorganized market with high vendor fragmentation<br>• Generally venue plus decoration package offered | |
| **Catering** | • Involves all elements of food from starters to main course to dessert either in buffet or sit-down system | • For hotel banquets, catering is of hotel itself otherwise independent caterers hired<br>• Rates decided by menu chosen and head count | |
| **Photography** | • Photography includes all variants of photos and videos | • Largely unorganized market | |
| **Gifts** | • Includes both gifts given by host to the guests | • Both traditional and modern day gifts are provided<br>• Largely unorganized local market caters to demand | |
| **Entertainment** | • DJ, bands, orchestra, any celebrity performers or family performances | • Direct approach by client is minimal; sourcing done via wedding planners/contractors | |
| **Travel** | • Includes accommodation and intercity and local travel of outstation guests | • Planners/Contractors have tie-ups with local agencies<br>• Intercity travel and local travel facilities offered at discount | |
| **Honeymoon** | • Domestic/International travel and stay of married couple | • Standard honeymoon packages offered by agencies with tie-ups with planners at discounted rates | |
| **Beautician** | • Make-up artists for bridal and other make-up | • Based on personal relationships or references from wedding planners | |
| **Wedding Planners/Marriage Contractors** | • Aggregator of marriage services who liaises with marriage service providers to arrange a wedding | • Based on personal relationships or references | |




Source: KPMG Report.

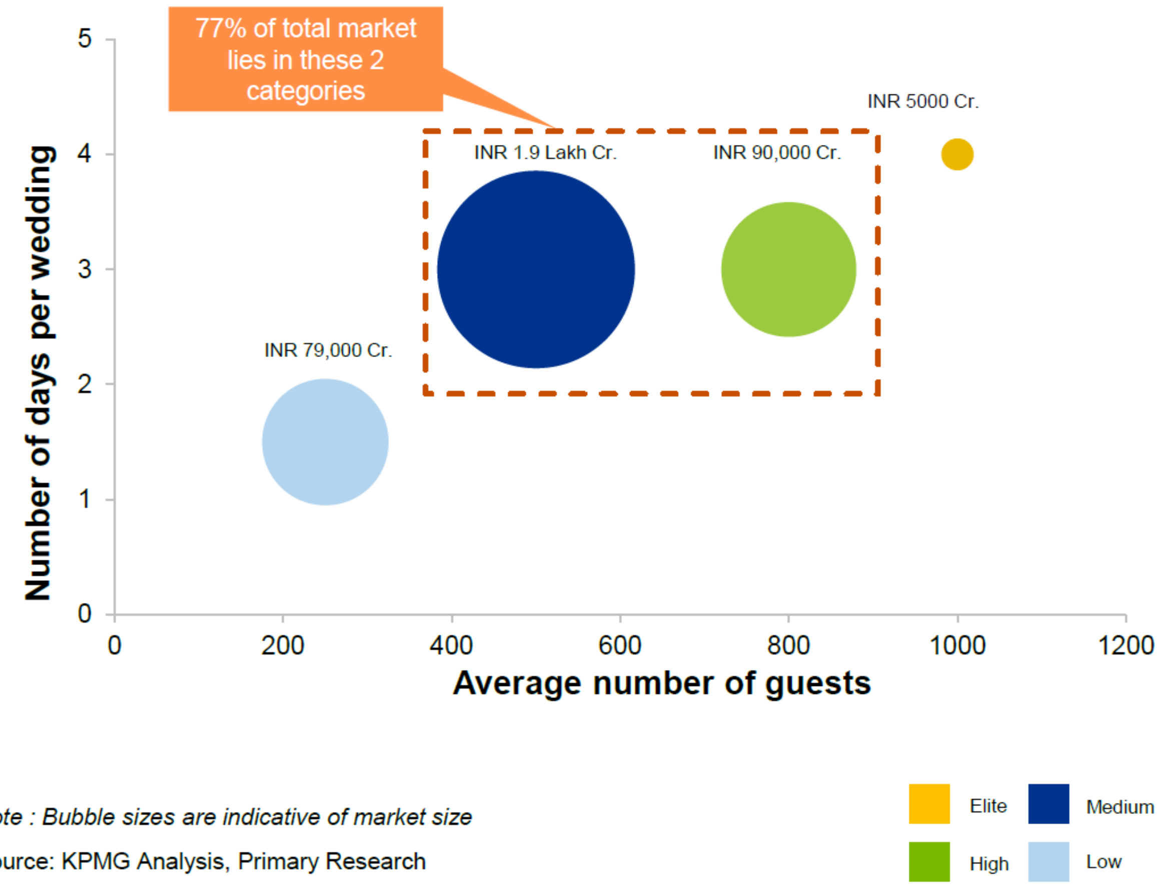
There is a huge disparity in income levels and prosperity across different regions in India. The disparity in income requires Indian service providers to be flexible with respect to the various pricing options for marriage services.

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

| Category | Guests | No. of days | Income Category* | Spend |
|---|---|---|---|---|
| Elite | 1000-1500 | 4-7 days | High Networth Individuals | More than INR 1 Cr |
| High | 600 - 1000 | 3-4 days | SEC A1,A2 | INR 15- 25 Lakhs |
| Medium | 400-600 | 2-3 days | SEC B1,B2, C1 | INR 6-10 Lakhs |
| Low | 100-300 | 1-2 days | SEC B2 ,C1, C2, D1, D2, | INR 1-2 Lakhs |

Note : For Rural Income Category, new SEC classification has been used whereas for Urban the old SEC classification has been retained

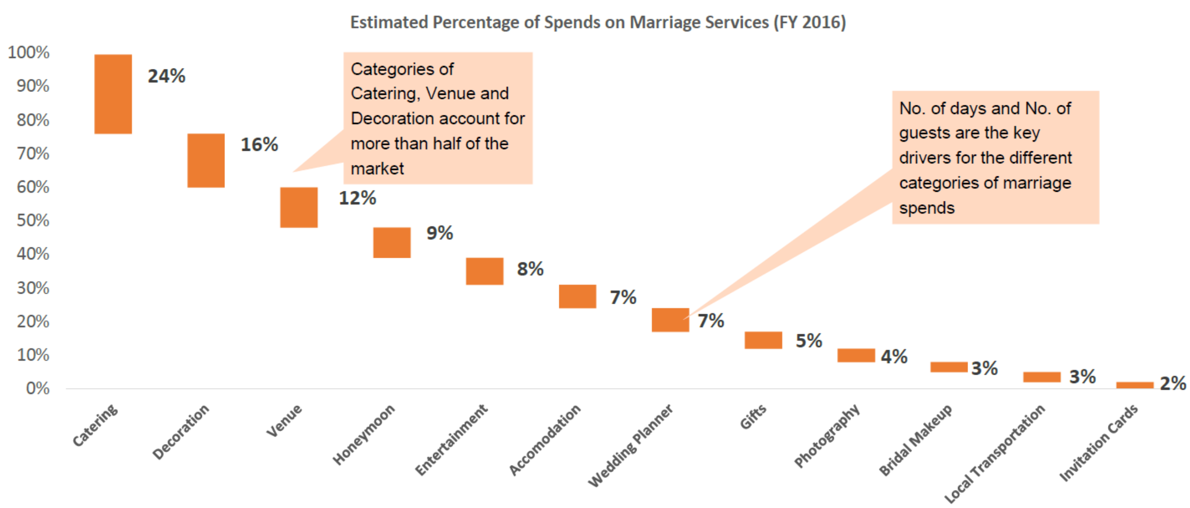
Source: KPMG Report.




*Note : Bubble sizes are indicative of market size*

Source: KPMG Analysis, Primary Research

According to the KPMG Report, the marriage services industry in India is estimated to be worth approximately ` 3,681 billion in fiscal 2016, with catering, decoration, venue, gifts and photography accounting for approximately 61.00% of marriage services spends in fiscal 2016.




Source: KPMG Analysis, Primary Research

**Estimated Total Spend by Marriage Services Category (in INR Crs)**

| Wedding Planner | Venue | Catering | Decoration | Entertainment | Accommodation | Local Transport | Invitation Cards | Photography | Gifts | Bridal make up | Honeymoon | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26,248 | 44,215 | 86,614 | 59,697 | 29,495 | 27,460 | 12,651 | 8,787 | 14,832 | 16,853 | 9,373 | 31,891 | 3,68,114 |

***Key Drivers of Growth for Marriage Services in India***

*Rising disposable incomes*

Marriages are the biggest event in families in India and are a crucial part of Indian tradition and culture. Indians spend a large part of their income and savings on the wedding of their children. As the disposable income rises, it is expected that wedding spend will also increase in time to come. GDP per capita is expected to reach US$1,869.34 by 2018. In addition, Indian salaried professionals get a raise of between 10.00% and 15.00% every year and bonuses of between 5.00% and 10.00%.

*Demographic dividend*

India's demography benefits from a large young population. It is estimated that approximately 65.00% of the unmarried Indian population is less than 35 years. It is expected that this young base will get married over the next two decades, resulting in an average of 11 to 13 million weddings each year until 2021.

*Move towards convenience/outsourcing*

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

# OUR BUSINESS

*The information in this section should be read together with the financial and other information included in this Draft Red Herring Prospectus. Data included in this section in relation to key business metrics has been reviewed and verified by R.G.N. Price & Co., a firm of Chartered Accountants, and is included in their report dated May 2, 2017 (the "**Key Business Metrics Report**"). The information in this section is also derived from other sources including the Internet World Stats statistics available at http://www.internetworldstats.com; traffic share distribution from April 2014 to March 2017 for Matrimony.com, Jeevansathi and Shaadi.com matrimonials compiled by comScore, Inc. (the "**comScore Report**"); and the industry report dated May 4, 2017 entitled "Market Study of Online Matrimony & Marriage Services in India" (the "**KPMG Report**") prepared by KPMG, an independent management consultant, pursuant to an engagement with the Company. The KPMG Report contains disclaimers and scope limitations pertaining to the work performed by it, a summary of which is set out below. The KPMG Report should be referred to for the full text of the disclaimers and scope limitations.*

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*Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.*

*Investors should note that this is only a summary of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the sections titled "Risk Factors" and "Financial Information" on pages 17 and 202, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section titled "Risk Factors" on page 17.*

## Overview

Our business currently comprises two segments – (i) matchmaking services and (ii) marriage services and related sale of products. In fiscal 2017, matchmaking services and marriage services accounted for all of our revenue and there was no revenue from the related sale of products.

According to the comScore Report, we are the leading provider of online matchmaking services in India in terms of the average number of website pages viewed by unique visitors in March 2017 (Matrimony.com data does not include data from all sites under Matrimony.com). We deliver matchmaking services to our users in India and the Indian diaspora through our websites, mobile sites and mobile apps complemented by our on-the-ground network in India. Our brand, BharatMatrimony.com, has been ranked as India's most trusted online matrimony brand by The Brand Trust Report India Study 2014 (a study covering 20,000 brands across 16 cities) and we believe that our other matchmaking brands such as CommunityMatrimony.com and EliteMatrimony.com are well-established in India.

According to the KPMG Report, there were approximately 107 million unmarried individuals in India within the marriageable age bracket in 2016, being 18 to 35 years for females and 21 to 35 years for males. It is estimated that approximately 60.5 million marriages will take place in India from 2017 to 2021. In addition, it is estimated that as of July 1, 2016, there were approximately 462 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile) and connection) in India, with an Internet penetration of 34.80%, compared to approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com/). According to the KPMG Report, the number of Internet users in India is expected to reach over 730 million users by fiscal 2020, which would increase the penetration level to approximately 54.00% of the Indian population. Our leading position in the online matchmaking market in terms of the average number of website pages viewed by unique visitors in March 2017 (Matrimony.com data does not include data from all sites under Matrimony.com) in India allows us to take advantage of this opportunity.

According to the United Nations Children's Fund, Human Rights Council, ABC News, as of 2016, approximately 88.40% of marriages in India are arranged (source: "Arranged/Forced Marriage Statistics – Statistic Brain" Statistic Brain Research Institute, publishing as Statistic Brain. August 16, 2016 http://www.statisticbrain.com/arranged-marriage-statistics/). Such arranged marriages are largely facilitated by families, friends, community elders, priests or matchmaking agencies. However, increasing mobility of individuals in Indian society, increasing freedom of choice over key life decisions and the reach, choice, privacy, speed of communication and interaction provided by the online medium provide an opportunity for online matchmaking service providers like our Company. The younger generation in India is increasingly seeking to play a larger role in the decision-making process for their marriages. Online matchmaking service providers aim to bridge this gap and provide an online platform for arranged marriages whereby prospective brides and grooms and their families can both participate in the process of finding marriage partners.

As one of the first companies to provide online matchmaking services in India, we believe that we have an early mover advantage among consumers seeking online matchmaking services. As of March 31, 2017, we had a large database of profiles comprising 3.03 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period), which we believe creates a network effect that attracts more users to register or subscribe through our websites, mobile sites and mobile apps and also results in higher customer engagement, which in turn drives monetization of our user base and enables us to maintain a leading position in the online matchmaking market in India. According to the Key Business Metrics Report, in fiscal 2015, fiscal 2016 and fiscal 2017, we had 647,000, 678,000 and 702,000 paid subscriptions, respectively. We also believe that we have a high degree of brand recall and trust in India, as evidenced by the average number of our website pages viewed by unique visitors in March 2017 in the comScore Report (Matrimony.com data does not include data from all sites under Matrimony.com), and an efficient business model with low credit risk which has allowed us to fund the growth of our business primarily through internal accruals since fiscal 2009. To focus on and grow our matrimony matchmaking business to cater to the Indian diaspora for which subscription revenues were received in foreign currency (the "NRI Business"), the Company has granted a non-exclusive, non-sub-licensable and non-assignable business license, of certain brand names and domain names owned by the Company to its wholly-owned subsidiary, Consim USA, to operate the NRI Business in all territories outside India with effect from December 15, 2015 until December 14, 2019.

We differentiate ourselves from other players in India by following a micro-market strategy whereby we offer a range of targeted and customized products and services that are tailored to meet the requirements of customers based on their linguistic, religious, caste and community preferences as well as personalized matchmaking services through EliteMatrimony and our Assisted Service package. We leverage technology and analytics across all stages of the matchmaking process to drive acquisition of profiles, assist members in completing their profiles, validate profiles based on rules designed to remove inappropriate content in near real-time, identify appropriate channels of service for members and assist members in choosing the right packages, thereby helping in value creation and monetization. We believe that such technology and analytics are secure, scalable and analyze large volumes of data.

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

According to the KPMG Report, the marriage services industry in India is estimated to be worth approximately ` 3,681 billion in fiscal 2016, with catering, decoration, venue, gifts and photography accounting for approximately 61.00% of marriage services spends in fiscal 2016. However, the majority of the categories of marriage services in India are unorganized and highly fragmented, presenting a potential opportunity for an organized aggregator to provide these services. In this regard, we are expanding into the growing marriage services market to complement and leverage off our online matchmaking services. For example, we have launched marriage services such as MatrimonyDirectory.com, a listing website for marriage-related directory services including listings for wedding venues, wedding planners, wedding cards and caterers, MatrimonyPhotography.com in Tamil Nadu, Kerala, Andhra Pradesh and Telangana to provide wedding photography and videography services and MatrimonyBazaar.com in Chennai, Coimbatore, Madurai and Trichy to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers' wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy. According to the KPMG Report, it is expected that Indian weddings will become more elaborate and extravagant due to factors such as rising disposable incomes, the gradual shift towards convenience and the aspiration for personalized weddings, leading to an increase in wedding spend from customers. We believe that our diversification beyond online matchmaking to marriage services, through the launch of marriage services initiatives, provides an opportunity for us to tap into this emerging segment. We believe that the provision of ancillary marriage services is an extension of our online matchmaking business and we will benefit from having a common customer base that has been acquired over the years through our online matchmaking business.

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

In fiscal 2015, fiscal 2016 and fiscal 2017, we generated consolidated total revenue of ₹ 2,428.41 million, ₹ 2,554.29 million and ₹ 2,929.30 million respectively, of which ₹ 2,319.91 million, ₹ 2,440.31 million, and ₹ 2,807.63 million, respectively, was attributable to our matchmaking services segment. Our restated consolidated profit before exceptional items, interest, tax, depreciation and amortization (EBITDA) was ₹ 178.08 million, ₹ 72.31 million and ₹ 592.04 million in fiscal 2015, fiscal 2016 and fiscal 2017, respectively. Our restated consolidated loss before minority interest was ₹ 29.04 million and ₹ 750.55 million in fiscal 2015 and fiscal 2016, respectively, which were largely attributable to certain exceptional item losses in these periods. Our restated consolidated profit before minority interest was ₹ 437.83 million for fiscal 2017.

**Our Strengths**

We believe that we are the leading online matchmaking services provider in India, which is attributable to the following competitive strengths:

***Large Database of Profiles and Consequential Network Effect***

We started offering our online matchmaking services in 2001. We believe that as one of the first companies to offer online matchmaking services in India, we have an early mover advantage among customers seeking online matchmaking services and this has enabled us to build a large database of profiles over several years. As of March 31, 2017, we had a database comprising 3.03 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period), according to the Key Business Metrics Report. We believe that a large database of profiles, such as the one we have developed, maintained and grown over several years, requires considerable time and effort to establish and maintain, which creates a significant barrier to entry. We believe that our large database of profiles creates a consequential network effect that attracts more users to register or subscribe through our websites, mobile sites or mobile apps and also results in higher customer engagement on our websites, mobile sites and mobile apps, which in turn enables us to maintain a leading position in the online matchmaking market in India. According to the Key Business Metrics Report, in fiscal 2015, fiscal 2016 and fiscal 2017, we had 647,000, 678,000 and 702,000 paid subscriptions, respectively, and our average transactional value ("**ATV**"), being the total revenue earned (net of service tax) from our matchmaking services segment for the period divided by the total number of paid subscriptions for the period, was ₹ 3,655, ₹ 3,827 and ₹ 4,065 respectively. Further, the repository of information from our large database of profiles allows us to build a differentiated capability in providing our user base with an engaging user experience through analytics.

***Micro-Market Strategy and Customized or Personalized Services***

We recognize that our customers are making important life decisions and in this regard, we have adopted a micro-market strategy whereby we offer a range of targeted and customized products and services that are tailored to meet the specific requirements of customers based on their religious or caste preferences or other criteria such as marital status and age bracket. For example, we cater to the needs of various communities through CommunityMatrimony, a consortium of various matrimony portals comprising more than 300 community matrimony sites.

We also provide personalized matchmaking services through relationship managers to users through EliteMatrimony and our Assisted Service package. We believe that our micro-market strategy differentiates us from other players in India and enables us to grow in a fragmented and unorganized industry that has historically been difficult to monetize in a sustainable manner at scale.

***Strong Consumer Brand***

We believe that we have a high degree of brand recall and trust in India, as evidenced by the average number of our website pages viewed by unique visitors in March 2017 in the comScore Report (Matrimony.com data does not include data from all sites under Matrimony.com). BharatMatrimony.com has been ranked as India's most trusted online matrimony brand by The Brand Trust Report India Study 2014 (a study covering 20,000 brands across 16 cities) and has been featured in the Limca Book of Records for record number of documented marriages online. Based on a study on India's online landscape, the online research firm, JUXT, certified BharatMatrimony.com as the most used matrimonial search website in 2013-2014 by Indian online consumers. We believe that a quality database is important in the online matchmaking business and is critical to building trust with users. We invest efforts and resources in maintaining and continuously improving the quality of our database. For example, all of our member profiles are authenticated by mandatory mobile number verification and registered members have an option to add "Trust Badges" to their profiles, such as the "Identity Trust Badge" which is activated by uploading a copy of any specified government-issued identity proof to add credibility to their profiles.

***Wide On-the-Ground Network for Customer Acquisition and Support***

As of March 31, 2017, we had 140 retail centers distributed across India where potential or existing customers can walk in and seek the assistance of retail executives to register on our websites and/or make payment for the matchmaking product or service of their choice. In addition, as of March 31, 2017, we had service delivery centers in 10 cities where service teams provide services such as reaching out to our members to educate them of the features and facilities available on our websites, mobile sites and mobile apps to assist them in making better use of our online matchmaking services and choosing the most appropriate service and subscription package based on their requirements, assisting with doorstep collection and assisting customers in making payments. We believe that our on-the-ground network of retail centers and service team helps in the customer education process, builds trust among our customers and drives monetization by encouraging existing free members to take up paid subscriptions.

***Robust Technology and Analytics***

We leverage technology and analytics across all stages of the matchmaking process such as acquisition and registration of profiles, validation, mutual discovery process and member contact. Technology and analytics are used extensively to drive acquisition of profiles, assist members in completing their profiles, validate profiles based on rules designed to remove inappropriate content in near real-time, identify appropriate channels of service for members and assist members in choosing the right packages, thereby helping in value creation and monetization. We employ business intelligence, data warehousing, data analytics with IBM Unica systems for campaign management, big data analysis and search algorithms development to provide fast and responsive service to our customers. Matrimony.com's Intelligent Matchmaking Algorithm ("**MIMA**") is a real-time recommendation engine which we have developed in-house using mathematical rules and machine learning systems that recommends appropriate profiles to members, thereby enhancing user experience. In 2015, we received a certificate of excellence from the National Association of Software and Services Companies ("**NASSCOM**") for "innovative application of analytics for business solution". In addition, we have developed a range of mobile apps across mobile platforms including iOS, Android and Windows. We have also recently introduced mobile apps for our BharatMatrimony regional sites and certain community sites which have led to an increase in profile registrations. As of April 15, 2017, our BharatMatrimony mobile app and apps for our regional and community sites have achieved 5.8 million estimated installs according to www.androidrank.org. A significant number of our members currently utilize our mobile sites and mobile apps for online matchmaking. According to the Key Business Metrics Report, in March 31, 2017, 81.00% of profile views, 72.00% of "Express Interest" messages, 54.00% of personalized messages sent and received and 62.00% of phone numbers viewed on our BharatMatrimony portals were undertaken through our mobile sites and mobile apps, and registrations through our mobile sites and mobile apps accounted for 72.00% of the total number of free profiles registered on our database. Our technologies and analytics are secure, scalable and analyze large volumes of data. Further, we have a technology team which works on innovating products to enhance features, mobile apps and product offerings for PC and mobile platforms.

***Efficient Business Model***

We believe that our business model is efficient and tailored for the Indian market. Members who subscribe for our paid online matchmaking packages are required to make payments in advance before they are able to access certain features and functionalities on our websites, mobile sites and mobile apps that are not available to free members, which we believe results in low credit risk in our matchmaking business. In addition, we have maintained focus on capital efficiency and have grown without incurring any material indebtedness, and have instead funded the growth of our business primarily through internal accruals since fiscal 2009.

**Our Strategy**

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

***Expand Our User Base***

According to the KPMG Report, the online matchmaking industry is still at a nascent stage in India and accounts for approximately 6.00% of marriages in India, providing a significant opportunity to grow in this space. In 2016, there were approximately 63 million individuals in India actively seeking prospective marriage partners and approximately 107 million unmarried individuals in India within the marriageable age bracket in 2016, being 18 to 35 years for females and 21 to 35 years for males. It is estimated that the population within the marriageable age bracket in India is expected to grow at an average rate of 0.84% until 2021 and that approximately 60.5 million weddings will take place in India from 2017 to 2021. To take advantage of this opportunity, we intend to continue to drive profile registrations and expand our user base by enhancing our user experience and engagement to ensure that existing users continue to visit, and new users are attracted to visit, our websites, mobile sites and mobile apps and that both existing free users and new users subscribe to our paid services. This is important since we lose members on an ongoing basis once they have found suitable matches and we believe that our online matchmaking websites, mobile sites and mobile apps will only be attractive to users if we maintain a large database of profiles of prospective brides and grooms. To enhance our user experience, we intend to enhance the utility, features and verification processes of our existing products and services and create new products and services customized for diverse groups of users based on their geographic location, interests and other criteria. We also intend to deepen our geographic penetration across all parts of India and continue to drive registrations through our mobile platform.

***Continue Investments in Mobile Platform***

We intend to continue to invest in our mobile platform in view of the increasing mobile usage among users in India. According to the KPMG Report, it is estimated that mobile Internet penetration in India will grow at an average CAGR of 17.00% to reach 670 million users by fiscal 2020. A significant number of our members currently utilize our mobile sites and mobile apps to access our online matchmaking services. According to the Key Business Metrics Report, in March 31, 2017, 81.00% of profile views, 72.00% of "Express Interest" messages, 54.00% of personalized messages sent and received and 62.00% of phone numbers viewed on our BharatMatrimony portals were undertaken through our mobile sites and mobile apps, and registrations through our mobile sites and mobile apps accounted for 72.00% of the total number of free profiles registered on our database.

To increase our footprint on the mobile platform, we have developed a range of mobile apps across mobile platforms including iOS, Android and Windows and intend to continue to expand our mobile offerings. We aim to provide our users with a rich mobile experience and all features and functionalities available on our websites will similarly be made available on our mobile sites and mobile apps. We have recently introduced mobile apps for our BharatMatrimony regional sites and certain community sites which have led to an increase in profile registrations. As of April 15, 2017, our BharatMatrimony mobile app and apps for our regional and community sites have achieved 5.8 million estimated installs according to www.androidrank.org. Our BharatMatrimony mobile app has also been recognized as the best app in the social category at the Global Mobile App Summit and Awards held in July 2016.

***Drive Monetization***

We intend to drive monetization of our existing user base by increasing the value of our network through expanding our user base, improving the quality of user profiles and improving the ease of searching profiles and the quality of search results and responses. We aim to do these by investing in technology to make our websites, mobile sites and mobile apps more user-friendly, continuously improving on existing products and services and creating more relevant new products and services, improving the quality of user profiles by encouraging users to include photographs and complete profile information through marketing campaigns, and developing better matchmaking algorithms (in addition to our existing MIMA algorithm) to ensure more relevant matches in searches. We intend to further drive monetization of our user base by increasing the use of analytics to identify prospective users who may opt for paid subscription.

We believe that an experienced and well-trained service team is also critical to our efforts to drive monetization. In this regard, we intend to devote resources towards developing and expanding our sales infrastructure to provide quality support to our users. Our service team assists users with registration, profile completion, search and making better use of our websites, mobiles sites or mobile apps and also informs registered members on the benefits of paid subscription. If a member opts for paid subscription, our service team assists them in selecting an appropriate subscription package and payment channel. Further, we intend to invest resources in developing and training our collection team to collect efficiently and upsell. Through these means, we aim to encourage users to convert from free membership to paid subscriptions and also to upsell packages to, and improve renewals among, existing paid users.

***Further Strengthen Our Brands***

Our brands constitute an important asset and we intend to continue to take steps to further develop and enhance our brands, especially BharatMatrimony.com, CommunityMatrimony.com and EliteMatrimony.com, through activities such as television advertising, online advertising and social media advertising. For details in relation to some of our proposed advertising and brand-building activities, see the section titled "*Objects of the Offer*" on page 112. Our

BharatMatrimony "Happy Marriage" television commercial was voted among the top 10 advertisements of 2013 by the brand equity editorial panel of a leading business newspaper in India, The Economic Times and also won a special jury mention for gender sensitivity (2013-2014) at The National Laadli Media and Advertising Awards in 2015 for portraying women positively. We have incurred advertisement and business promotion expenses constituting 21.93%, 21.09% and 17.83% of our total consolidated revenue in fiscal 2015, fiscal 2016 and fiscal 2017, respectively, and we will continue to spend a significant portion of our revenue on promotional and marketing activities. We believe that such efforts will enhance the visibility of our brands, drive registration levels and result in increased conversion to paid subscriptions, which will consequently enable us to retain our leading position in the online matchmaking services market in India as well as maintain our position as the most used online matchmaking website in India.

***Continue to Expand into Marriage Services***

A key strategy for driving monetization is to increase the length of our relationship with our customers and increase the amount of revenue earned from our customers by offering additional marriage services to our online matchmaking user base. According to the KPMG Report, the marriage services industry in India is estimated to be worth approximately ₹ 3,681 billion in fiscal 2016, with catering, decoration, venue, gifts and photography accounting for approximately 61.00% of marriage services spends in fiscal 2016. However, the majority of the categories of marriage services in India are unorganized and highly fragmented, presenting a potential opportunity for an organized aggregator to provide these services. In this regard, we have leveraged our brands, user activity on our platforms and our online matchmaking client base to diversify into marriage services to take advantage of the lack of organized services in this fragmented market. We intend to continue to invest in building our marriage services verticals, with a focus on adjacent areas with a synergy with our core online matchmaking business, to target our existing online matchmaking clients and also clients who require marriage services. Marriage services that we have introduced in recent years include MatrimonyDirectory.com for marriage-related directory services, MatrimonyPhotography.com to provide wedding photography and videography services and MatrimonyBazaar.com to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers' wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy.

**Our Business**

***Our Revenue Model***

Our business currently comprises two segments – (i) matchmaking services and (ii) marriage services and related sale of products. In fiscal 2017, matchmaking services and marriage services accounted for all of our revenue and there was no revenue from the related sale of products. Our matchmaking service segment is based on a subscription revenue model and our marriage services segment is based on a diverse revenue model ranging from listing fees, transaction fees and commission income.

While profile registration on our websites, mobile sites and mobile apps is free and we offer certain services to both free and paid members on our websites, mobile sites and mobile apps, the ability to access contact information of prospective matches and certain other features and functionalities (such as the ability to send personalized messages to, access verified mobile numbers of, view the social and professional profiles and horoscopes of, or have personalized chats with, other members) is only reserved for paid members. Subscription on our websites, mobile sites and mobile apps is pre-paid and packages are available for a term of three months to one year. In fiscal 2017, subscription revenue accounted almost all of our revenue for matchmaking service, our matchmaking services segment accounted for 95.85% of our consolidated total revenue and we had 702,000 paid subscriptions.

We have launched marriage services such as MatrimonyDirectory.com for matrimony-related directory services, MatrimonyPhotography.com to provide wedding photography and videography services and MatrimonyBazaar.com to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers' wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy. Our revenue from

MatrimonyDirectory.com is derived from listing fees from vendors, our revenue from MatrimonyPhotography.com is derived from transaction fees for photography and videography services, our revenue from MatrimonyBazaar.com is derived from transaction fees from customers who utilize our services as well as commission income from vendor and our revenue from MatrimonyMandaps.com is derived from transaction fees from customers who utilize our services as well as commission income from wedding venue vendors. The launch of these marriage services provides an opportunity for us to leverage our online matchmaking client base and increase our revenue from marriage services, providing an avenue for long-term growth in the future.

***Matchmaking Services***

According to the comScore Report, we are the leading provider of online matchmaking services in India in terms of the average number of website pages viewed by unique visitors in March 2017 (Matrimony.com data does not include data from all sites under Matrimony.com). Our matchmaking brands include BharatMatrimony.com, CommunityMatrimony.com and EliteMatrimony.com.

While profile registration on our matchmaking websites, mobile sites and mobile apps is free and we offer certain services to both free and paid members on our websites, mobile sites and mobile apps, the ability to access contact information of prospective matches and certain other features and functionalities is only reserved for paid members.

BharatMatrimony.com has been featured in the Limca Book of Records for record number of documented marriages online and Matrimony.com received the NDTV-Hindu Lifestyle Award in July 2011 as the "Best Community Matrimony Website". Based on a study on India's online landscape, the online research firm, JUXT, also certified BharatMatrimony.com as the most used matrimonial search website in 2013-2014 by Indian online consumers. BharatMatrimony.com has a large database of profiles of prospective brides and grooms and provides a platform for the listing and exchange of information in relation thereto. Although the database is largely made up of profiles of persons in India, it also includes profiles of persons of Indian origin residing overseas, including in the United Kingdom, the United States, Canada, Australia, Sri Lanka, Malaysia and the United Arab Emirates.

In fiscal 2017, 3.21 million free profiles were registered through our websites, mobile sites and mobile apps and we had 702,000 paid subscriptions. In addition, as of March 31, 2017, we had a database comprising 3.03 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period) and 26.75 million free profiles had been added to our database since January 2006.

We offer the following differentiated paid membership products and services on our BharatMatrimony.com, CommunityMatrimony.com and EliteMatrimony.com websites, mobile sites and/or mobile apps which in turn facilitate upselling and higher ATV per paid user, being the total revenue earned (net of service tax) from our matchmaking services segment for the period divided by the total number of paid profiles.

*Key Operating Metrics*

We believe that the following are the key business metrics which drive revenue growth and operating leverage of our online matchmaking business as they increase in scale:

- Portal metrics – Number of free profiles registered.
- Financial metrics – Number of paid subscriptions, ATV, headcount, number of retail centers and service delivery centers.

We utilize data analytics algorithms to track consumer trends to assist us in driving monetization of our user base by increasing our paid subscription rate.

*BharatMatrimony.com*

- Classic, Classic Advantage and Classic Premium – Under these packages, our members are able to send personalized messages to other members, view member horoscopes, chat with prospects, view verified mobile numbers of other members and in certain cases, include priority listing of profiles in search results. The pricing for these packages ranges from ₹ 4,200 to ₹ 9,900, depending on the length of subscription of three or six months.

- Till-U-Marry – This package comes in either a "regular" or "advantage" option. Under this package, our members are able to send personalized messages to other members, view member horoscopes, chat with prospects, view verified mobile numbers of other members and in certain cases, include priority listing of profiles in search results. The pricing for the "regular" option and the "advantage" option is ₹ 10,900 and ₹ 12,900, respectively. This package is valid for one year and after the first year, users are required to pay an annual service fee of ₹ 6,900 and ₹ 9,000 for the "regular" option and the "advantage" option, respectively. If the annual service fee is not paid, the package expires after the first year.

- Assisted Service – This package involves matchmaking services supported by relationship managers who provide personalized assistance to subscribed users. Relationship managers contact the prospects on behalf of the customer after taking the customer's consent and facilitate communication and meetings based on mutual interest. The pricing for these services ranges from ₹ 17,000 to ₹ 32,000, depending on the length of subscription of three or six months.

We also provide our users on BharatMatrimony.com with the option to augment their profiles through certain add-on features on their profiles, such as "Profile Highlighter", which ensures that a profile is displayed prominently in search results (at ₹ 1,200 for two months) and "Astromatch", which allows a user to match his or her horoscope with prospective marriage partners' horoscopes (at ₹ 650 for three months, providing the ability to compare horoscopes of up to 50 marriage prospects, ₹ 900 for six months, providing the ability to compare horoscopes of up to 100 marriage prospects or ₹ 1,200 for nine months, providing the ability to compare horoscopes of up to 150 marriage prospects). Profile Highlighter services are included free of charge for one month with our Classic Premium three-month package and for two months with our Classic Premium six-month package.

*CommunityMatrimony.com*

- Gold, Diamond and Platinum – Under these packages, our members are able to send personalized messages to other members, view member horoscopes, chat with prospects, view verified mobile numbers of other members and in certain cases, include priority listing of profiles in search results. The pricing for these packages ranges from ₹ 4,200 to ₹ 9,900, depending on the length of subscription of three or six months.

- Till-U-Marry – This package comes in only a "regular" option. Under this package, our members are able to send personalized messages to other members, view member horoscopes, chat with prospects, view verified mobile numbers of other members and in certain cases, include priority listing of profiles in search results. The pricing for this package is ₹ 9,900 and is valid for up to one year. An annual subscription fee of ₹ 5,900 is payable after the first year and the package expires after the first year if the annual service fee is not paid.

- Assisted Service – This package involves matchmaking services supported by relationship managers who provide personalized assistance to subscribed users. Relationship managers contact the prospects on behalf of the customer after taking the customer's consent and facilitate communication and meetings based on mutual interest. The pricing for these services ranges from ₹ 17,000 to ₹ 32,000, depending on the length of subscription of three or six months.

Like BharatMatrimony.com, we also provide our users on CommunityMatrimony.com with certain add-on features on their profiles. In addition to Profile Highlighter and Astromatch features, we also provide users on CommunityMatrimony.com add-ons such as "Profile of the Day", which allows a user to display an attractively designed profile visible to members for one preferred day. Profile Highlighter services are also included free of charge with our Diamond and Platinum packages for one to four months.

Twin Pack – We have launched a combination package which offers access to both our BharatMatrimony.com and CommunityMatrimony.com database. The pricing for the twin pack is ₹ 5,900 and is valid for three months. The pricing for the Till-U-Marry Twin Pack is ₹ 12,900 and is valid for one year. An annual subscription fee of ₹ 5,900 is payable after the first year and the package expires after the first year if the annual service fee is not paid.]

*EliteMatrimony.com*

- Gold, Blue, Platinum and Till-U-Marry – These packages involve personalized matchmaking services from relationship managers for the rich and affluent. The pricing for the Gold, Blue and Platinum packages range from ₹ 56,180 to ₹ 159,600, depending on the length of subscription that range from three to 12 months. Members who subscribe for the Blue six-month package and the Platinum 12-month package are required to pay a fee of ₹ 50,000 and ₹ 100,000, respectively, upon a successful match. The pricing for the Till-U-Marry premium package is ₹ 228,000 and members who subscribe for this package are required to pay a fee of ₹ 200,000 upon a successful match.

A description of certain of our key brands is set out below:

- BharatMatrimony.com comprises a network of 15 regional portals such as TamilMatrimony, KeralaMatrimony, TeluguMatrimony, BengaliMatrimony and HindiMatrimony. BharatMatrimony utilizes analytics to undertake a detailed analysis of each customer's preferences to better match them with suitable partners. After around 30 days of registration with BharatMatrimony.com or one of its regional portals, each member is given the option to replicate his or her profile at our CommunityMatrimony.com portals. Upon the exercise by the customer of such option, a copy of his or her profile will be replicated on our CommunityMatrimony.com portals based on the details provided during the time of registration.

- CommunityMatrimony.com is a consortium of various matrimony portals comprising more than 300 community matrimony sites catering to the needs of various communities based on religion, caste and other exclusive categories. It includes religion-based matrimony sites like ChristianMatrimony, MuslimMatrimony, SikhMatrimony, JainMatrimony and BuddhistMatrimony as well as caste-based matrimony sites like AgarwalMatrimony, YadavMatrimony, KayasthaMatrimony, MarathaMatrimony and RajputMatrimony. It also includes other exclusive domains such as AbilityMatrimony, DivorceeMatrimony, 40plusMatrimony, DefenceMatrimony, ManglikMatrimony and AnyCasteMatrimony.

For details on the matchmaking industry in India, see "*Industry Overview*" on page 126.

*Mobile Matchmaking*

We intend to continue to invest in our mobile platform in view of the increasing mobile usage among users in India. According to the KPMG Report, it is estimated that mobile Internet penetration in India will grow at an average CAGR of 17.00% to reach 670 million users by fiscal 2020. To this end, we have developed a wide range of mobile apps across mobile platforms including iOS, Android and Windows and will continue to expand our mobile offerings. As of April 15, 2017, our BharatMatrimony mobile app and apps for our regional and community sites have achieved 5.8 million estimated installs according to www.androidrank.org. Our BharatMatrimony mobile app has also been recognized as the best app in the social category at the Global Mobile App Summit and Awards held in July 2016. A significant number of our members currently utilize our mobile sites and mobile apps for online matchmaking. According to the Key Business Metrics Report, in March 31, 2017, 81.00% of profile views, 72.00% of "Express Interest" messages, 54.00% of personalized messages sent and received and 62.00% of phone numbers viewed on our BharatMatrimony portals were undertaken through our mobile sites and mobile apps, and registrations through our mobile sites and mobile apps accounted for 72.00% of the total number of free profiles registered on our database.

***Marriage Services***

To complement our online matchmaking services and to take advantage of the lack of organized services in the marriage services market in India, we have launched the following services:

matrimonydirectory.com
From BharatMatrimony

- MatrimonyDirectory.com is a wedding classified portal with more than 50,000 listings in India to facilitate and connect customers with the right service provider. MatrimonyDirectory.com seeks to provide a comprehensive solution for customers to plan a wedding conveniently and professionally by providing information about a wide range of wedding-related services in one portal, including wedding venues, florists and flower decorations, wedding planners, wedding cards, caterers and bridal makeup artists.

matrimony
photography.com

- MatrimonyPhotography.com was launched to provide wedding photography and videography services. We provide our wedding photography and videography services, some of which may be outsourced, through trained photographers and videographers. We also plan to enhance our wedding photography and videography services through the utilization of technology to allow customers and their guests to create photo albums and videos in an interactive manner online. MatrimonyPhotography.com has been launched in Tamil Nadu, Kerala, Andhra Pradesh and Telangana.

matrimonybazaar.com
from BharatMatrimony

- MatrimonyBazaar.com was launched to help customers in availing wedding-related services. A relationship manager will meet each customer to understand their needs and recommend suitable vendors. We have partnered with more than 500 wedding vendors from different categories such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages to meet customers' wedding needs. MatrimonyBazaar.com services are currently available in Chennai, Coimbatore, Madurai and Trichy.

matrimonymandaps.com
from Bharatmatrimony

- MatrimonyMandaps.com, a wedding venue discovery platform, was launched recently to help customers find the right venue for their wedding. A relationship manager will reach out to customers to understand their needs and recommend suitable wedding venues. We have detailed information of more than 500 wedding venues which include kalyana mandapams and banquet halls across Tamil Nadu. Detailed information of facilities available at the wedding venue as well as high quality photographs are provided to help customers choose the perfect venue for the wedding. MatrimonyMandaps.com services are currently available in Chennai, Coimbatore, Madurai and Trichy.

For details on the marriage services industry in India, see "*Industry Overview*" on page 126.

**Our Users and Platforms**

Our online matchmaking services are available to users by registering through multiple platforms – through the Internet, mobile sites, mobile apps and retail.

In fiscal 2017, 3.21 million free profiles were registered through our websites, mobile sites and mobile apps and we had 702,000 paid subscriptions. In addition, as of March 31, 2017, we had a database comprising 3.03 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period) and 26.75 million free profiles had been added to our database since January 2006. We believe that we are able to attract new users due to the size, depth and reliability of our database of profiles and the availability of our database to users quickly and with ease.

Through our multiple platforms, we provide our users with multiple methods for finding a suitable match – online searches, suggested matches through emails, contacting matches on the telephone and SMS. A registered user can search the database on our websites, mobile sites and mobile apps by using various basic criteria, such as gender, occupation, age, height and mother tongue, as well as certain other criteria such as community, religion, income, educational qualifications, occupation, country and city of residence. We also have a customer care service team which offers telephonic support and assistance to users. Once suitable prospects are identified, our platforms also provide our users with multiple channels of communication with prospects, such as "Express Interest" messages which are template messages available to all members including free members, and additional communication channels such as personalized messages, SMS, online chats or direct contact through verified mobile numbers which are available to paid members.

**The Registration Process and Transaction Consummation**

***Registration and Profile Completion***

Users of our websites, mobile sites and mobile apps are required to register with us in order to use our online matchmaking services. In addition, at the time of registration, all users of our websites, mobile sites and mobile apps must agree to our user agreements, which sets forth the various terms and conditions for the use of our websites, mobile sites and mobile apps, including the types of activities prohibited on our websites, mobile sites and mobile apps and the privacy policy applicable to the use of information on our websites, mobile sites and mobile apps. A recent advisory for matrimonial websites issued by the Ministry of Electronics and Information Technology, Government of India prescribes certain requirements of such privacy policy. For further details, see "*Regulations and Policies*" on page 158. A user of our websites, mobile sites and mobile apps must provide the following information to become a registered member – name, gender, date of birth, religion, mother tongue, caste/division, country of residence, mobile number, email address and password. To create a complete profile, members can add more details and certain features to their profiles such as photographs, horoscope and "Trust Badges" which may result in better responses from prospects. In addition, members may add on an "AstroMatch" option which matches their horoscope with other members' horoscopes, analyzes partner compatibility based on birth stars, "Papasamya", "Kujadosha" and "Dasasandhi" and generates instant online reports. Although uploading photographs is not mandatory, our members may choose to do so, since having photographs as a part of a profile generally facilitates the search process and results in more responses.

Members may contact, or may be contacted by, prospects who have identified the members' profile information as meeting his or her desired partner preferences. Our operations team verifies that photographs and horoscopes uploaded are in the required formats and verifies certain profile information content. It is mandatory for all members to verify their mobile numbers through our free mobile verification services to ensure that the number provided by a member is an active number, and only verified mobile numbers are displayed on members' profiles. Through such mobile verification process, duplicate or fraudulent profiles are identified and removed, maintaining the quality of our database of profiles. Once the profile registration has been completed by a member and the validation process has been completed, a "Matrimony ID" is assigned to such profile and the member's profile is listed on our websites, mobile sites and mobile apps.

Other features that members may add to complete their profiles include "Trust Badges" – the "Identity Badge" can be activated by uploading a copy of any specified government-issued identity proof, the "Social Badge" can be activated by adding Facebook or LinkedIn profile details, the "Professional Badge" can be activated by uploading a copy of the member's latest education certificate, the "Employment Badge" can be activated by adding a copy of the member's salary pay slip or, in case of a member who runs his or her own business, a copy of the latest electricity or telephone bill issued in the name of such member's company, and the "Reference Badge" can be activated by adding references from the member's personal or professional network along with their contact information. A member who uploads these documents can control access to these documents. The addition of "Trust Badges" to a member's profile is an easy way to build trust with prospects and the badges are visible to both free and paid members.

***Partner Search***

Upon completion of the registration process, members can access our database to search for prospective matches. A partner search can be undertaken based on various parameters from a minimum of five basic fields to a maximum of 30 fields using the various search options, namely the regular search, advanced search, soulmate search, keyword search, search by "Matrimony ID" and search among users who are online.

Members can manage their entire activities on our websites, mobile sites and mobile apps by adjusting their profile settings. Profiles can be shortlisted, ignored or blocked based on each member's preference. The "Express Interest"/personalized messages sent or received, choices and profiles viewed by the member and the list of other members who viewed the member's profile are stored and made available to the member.

Daily MatchWatch emails are sent to each member listing details of newly-added profiles which match such member's partner preferences and unviewed profiles from our database which match such member's partner preference. We study member behavior on our websites, mobile sites and mobile apps to suggest best fit matches based on each member's profile information through MIMA, a real-time recommendation engine which we have developed in-house using mathematical rules and machine learning systems. The most appropriate matches are recommended to members to enhance user experience on our websites, mobile sites and mobile apps and to encourage free members to convert to paid subscriptions.

***Communication Channels***

Once members are registered with our websites, mobile sites or mobile apps, they can contact and may be contacted by other members. Free members can send standard format "Express Interest" messages to other members with whom they wish to initiate contact. "Express Interest" messages are template messages which are ideal to initiate contact.

In the case of paid members, they are able to access contact information of other members. The number of contacts that a paid member can access and the period over which such information can be accessed is determined by the particular package subscribed to by the member. Paid members can communicate by sending personalized messages using our messaging service, or chat with the other member using our chat facility. Paid members may also call or SMS other members directly using the mobile numbers provided in their profiles.

***Payment Channels***

Members who register with our websites, mobile sites or mobile apps are contacted by our service executives who provide details of the various products and services offered by us and are encouraged to subscribe for the products or services that best match their requirement.

As of March 31, 2017, we had 140 retail centers located across India representing regional markets and service delivery centers in 10 cities with a number of service executives who are supported by our own doorstep collection network. We have reduced the number of our retail centers in recent years as part of the consolidation of our retail operations. We have also engaged, in the past, third party collection agents for doorstep collection of subscription amounts from customers in certain cities. Our retail centers provide visibility and a footprint in each major metropolitan city and other cities in India, and potential or existing customers can walk-in and seek the assistance of retail executives to register on our websites and/or make payment for the matchmaking product or service of their choice. Our service delivery centers represent BharatMatrimony.com vernacular portals that are aligned to specific demographics. Through these service delivery centers, assistance is provided to users of our matchmaking services in choosing among various payment methods to pay for their subscription and/or purchases of our services including doorstep collection in cash or cheque in addition to the flexibility to pay online using net banking or debit/credit cards and through cash, cheque or demand draft at certain designated banks. In the case of net banking and debit/credit card payments, such transactions are processed through secured gateways.

**Sales, Customer Service and Marketing**

***Sales***

Our service team is divided into collection coordinators, doorstep service executives, telemarketing executives and sales and collection associate managers. We have a dedicated service team to reach out to members who are registered with our websites, mobile sites and mobile apps to educate them of the features and facilities available on our websites, mobile sites and mobile apps in order to assist them in making better use of our online matchmaking services and to choose the most appropriate service and subscription package based on their requirement and to convince existing free members to convert to paid subscription. Our service executives are supported by our collection executives who assist with doorstep collection and payment assistance executives who assist customers in making online or telephone payments or arrange for doorstep collection. When members express an interest upgrading their existing subscription packages to our service executives, we deploy our collection executives to meet them.

In addition, as of March 31, 2017, we had 140 retail centers located across India with a wide geographic spread that provide visibility and a footprint in each major metropolitan city and other cities in India. These retail centers are supported by television and radio advertising campaigns, and provide easy access to walk-in customers and those who prefer to call and visit a local service store. Potential or existing customers can walk in and seek the assistance of retail executives to register with our websites and/or make payment for the matchmaking product or service of their choice.

We believe that an experienced and well-trained service team is critical to our operations, and we devote resources to developing and maintaining our sales infrastructure.

***Customer Service***

We have a customer care team which assists members in completing their registration on our websites, mobile sites and mobile apps, educates members on the features and facilities available to them on our websites, mobile sites and mobile apps and also handles customer complaints and grievances. In addition, we provide all of our "Assisted Service" package and "EliteMatrimony" subscribers with a dedicated relationship manager or customer service executive. Our customer care team provides service 24 hours a day and seven days a week, and may be reached by telephone, email or through the chat facility on our websites, mobile sites and mobile apps.

***Marketing***

The primary objective of our matchmaking business is to facilitate marriages between individuals seeking prospective partners. The nature of this business involves considerable customer churn, given that we lose customers on an ongoing basis when they find suitable matches. To address this, we are required to indulge in extensive advertising, brand-building and business promotion initiatives in order to attract new customers and ensure that we maintain a critical mass of members on our websites.

Given our micro-market strategy, our marketing and business promotion activities are required to showcase not only our BharatMatrimony brand, but our regional, religious, community and caste-based matrimonial brands and personalised matrimonial brands as well. We are required to invest significant resources for advertising in regional and local community channels (such as regional and vernacular television channels and radio frequencies) as well as advertising targeted to specific demographics (such as higher net worth individuals for EliteMatrimony), and in particular, in geographical markets that we plan to penetrate, in accordance with our business strategies.

Furthermore, our revenues from matchmaking services are significantly driven by the growth in our paid subscribers. Consequently, we invest, on a continuing basis, in advertising initiatives that are driven towards conversion of our existing free subscribers to paid subscribers as well as up-selling higher value subscription packages to our existing paying customers.

Marketing is one of our largest components of expenditure and advertisement and business promotion expenses constituted 23.66%, 21.70% and 22.35% of our total consolidated expenses in fiscal 2015, fiscal 2016 and fiscal 2017, respectively. We undertake a mixture of functional and brand advertising campaigns from time to time on radio and television networks, print media and outdoor advertising channels and our marketing strategy is to focus on brand building and enhancing traffic to our websites, mobile sites and mobile apps. In addition, we also undertake online marketing through our existing arrangements with platforms such as Google and Facebook, including through search engine optimization, display advertising and pay-per-click advertising. We believe that investment in our brand-building campaign will increase our profile and exposure to the market. For details of some of our proposed advertising and brand-building activities, see the section titled "*Objects of the Offer*" on page 112.

We believe that our online and offline (such as print media, television and outdoor advertisements) marketing strategies increase our brand awareness and attract users to our websites, mobile sites and mobile apps. Our BharatMatrimony "Happy Marriage" television commercial was voted among the top 10 advertisements of 2013 by the brand equity editorial panel of a leading business newspaper in India, The Economic Times.

We utilize a mixture of above the line and below the line advertising to reach out to both mass market and niche audiences. Our marketing channels primarily consist of online advertising, such as various search engines, and offline advertising using print or broadcast media to conduct mass media campaigns including television and radio. We currently utilize Internet search engines such as Google to drive a portion of our online traffic to our websites and mobile sites. The placement of the links to our websites and mobile sites on the results of a user search on such search engines is used for driving online traffic to our website. Further, a portion of our users is currently directed to our websites through pay-per-click and display advertising campaigns. We also use digital marketing tools such as online display banners, and have presence in social media, such as Facebook.

In addition, we utilize direct marketing, combined with analytics, to drive or change member behavior. Direct marketing channels include websites, mobile sites, mobile apps and emails. Examples of targeted member behavior include encouraging members to complete their profiles, use the site to search and communicate, and subscribe to our paid services. Such behavioral change is brought about by predictive analytics about members and member behavior, and also through our experimentation with medium and messages.

**Technology and Infrastructure**

We believe that our success is dependent on our technology and know-how concerning our database, and that our technology information systems and infrastructure are key operational and management assets which are integral to the provision of our services and products. We recognize that our online matchmaking customers are taking a serious and important life decision. In this regard, we endeavor to provide customized and innovative solutions that are local to different communities and geographies to improve the experience of our users.

We leverage technology and analytics across all stages of the matchmaking process such as acquisition and registration of profiles, validation, mutual discovery process and member contact. Technology and analytics are used extensively to drive acquisition of profiles, assist members in completing their profiles, validate profiles based on rules designed to remove inappropriate content in near real-time, identify appropriate channels of service for members and assist members in choosing suitable packages, thereby helping in value creation and monetization. MIMA is a real-time recommendation engine which we have developed in-house using mathematical rules and machine learning systems that recommends the most appropriate profiles to members, thereby enhancing user experience. We benefit from a technology platform which we believe has a high level of security and scalability, and which has been designed to handle high transaction volumes. We have the ability to scale up or down our technology infrastructure to meet our operational requirements without incurring substantial costs as we use virtual machines and infrastructure wherever possible. As a number of components in our technology stack are open source, we have also been able to lower our information technology costs due to simplified management and reduced systems maintenance.

Our systems infrastructure, Internet and database servers are housed in a secured location, and have monitoring and engineering support 24 hours a day and seven days a week to address technical difficulties and ensure continuity of our business. Our websites are currently hosted in a private cloud in an enterprise class ISO/IEC 27001:2013 certified data center hosted in Mumbai by Tata Communications Data Centers Private Limited, a service provider located in India.

We have dedicated in-house teams of employees specializing in portal development and operations, web development and management and database management which are critical to our operations. Our technology team works on developing innovative products to enhance customer features, mobile apps, and product offerings for web and mobile. See "*Risk Factors—We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively provide our products and services*" on page 17.

**Research and Development**

We seek to develop innovative products and product features that incorporate technology and intellectual property to enhance user experience. In 2015, we received a certificate of excellence from NASSCOM for "innovative application of analytics for business solution".

Our R&D efforts are conducted by our R&D team in offices in Chennai. We employ business intelligence, data warehousing, data analytics for campaign management, big data analysis and search algorithms development to provide fast and responsive service to our customers.

Our R&D team endeavors to maintain a knowledge base of frequently used technology applications relevant to our operations and work together with other business groups to deliver value-added solutions.

Our dedicated R&D team comprises software engineers and testing specialists and we believe that our R&D team possesses the industry expertise to research and develop new software applications for our daily business operations.

**Information Security**

We are committed to protecting the security of the information regarding our users. We maintain an information security team that is responsible for implementing and maintaining controls to prevent unauthorized users to access our systems. These controls include the implementation of information security policies and procedures, security monitoring software, access policies, password policies and physical access limitations. Our information security team also coordinates internal and external reviews on a periodic basis.

**Corporate Governance**

As part of our corporate governance practice, we have in place a whistle blower policy and a code of conduct. In addition, as of the date of this Draft Red Herring Prospectus, there are eight Directors on the Board of our Company, of which three are independent Directors, including our non-executive Chairman. The Board is supported by specialized committees such as an Audit Committee, a Risk and Governance Committee and a Nomination and Remuneration Committee. For further details, see the section titled "*Our Management– Corporate Governance*" on page 182.

**Competition**

We operate in a competitive industry characterized by evolving standards, emerging customer preferences and requirements and pricing. The principal competitive factors include brand recognition, critical mass of users on our websites, mobile sites and mobile apps, breadth and depth of matrimony-related services, as well as the overall quality of user experience on our websites, mobile sites and mobile apps. Additional factors which drive competition in attracting users to our websites, mobile sites and mobile apps include the quality and reliability of our technology, our ability to provide customer service and the efficiency of the profile matching process.

Our key online matchmaking competitors are Shaadi.com and Jeevansathi.com, and our offline competitors include the more traditional brick and mortar companies offering marriage bureau and matchmaking services as well as community associations. In addition, new boutique businesses that provide integrated or specialized services and are technologically proficient, especially in the new media arena, are competing with us, which makes it imperative for us to incorporate new technologies and acquire new capabilities in product delivery and client servicing.

Increased competition may reduce our operating margins as we expend more of our resources to develop new products and services and increase our marketing and promotional efforts to maintain our market position and to strengthen our brands. See "*Risk Factors—We face significant competition in our business from Indian companies, and we may be unsuccessful in competing against current and future competitors, which could have an adverse impact on the pricing of our services as well as increase the costs associated with growing our customer base*" on page 19.

**Employees**

We operate in a knowledge-driven industry and we believe that hiring and retaining employees who are motivated and who take initiatives is key to the success of our business. Our personnel policies are therefore aimed at recruiting the type of employees we need for our business, facilitating their integration in our work force, encouraging the development of their skills in order to accompany the growth in our operations and organizing their geographic and professional mobility.

We follow a defined selection process for our employees, comprising screening of applicants, interviews and background and reference checks. We have developed a structured incentive program, including a performance-based incentive pay structure for certain levels of employees, and we have dedicated significant resources to training programs, including management, and sales and marketing training programs. Employee benefit expense is the largest cost component of our business.

We have witnessed a marginal increase in the number of our employees from 3,745 employees (based on the payroll register of the Standalone Company as of March 25, 2016, the 25$^{th}$ of each month being the cut-off date for our payroll processing) to 3,955 employees (based on the payroll register of the Standalone Company as of March 25, 2017). This increase in the number of employees was attributable to the expansion of our business, in particular our sales and technology function and marriage services initiatives, which was slightly offset by the phasing out of the operations of Tambulya.com and "Matchify".

None of our employees are represented by a labor union and we have not experienced any work stoppages to date. We believe that our relations with our employees are good. We also contract with third parties for the provision of temporary employees from time to time based on the needs of our businesses for various functions, including housekeeping and security.

We have implemented a stock option scheme for certain categories of our employees. For details of the plan, see "*Capital Structure*" on page 85.

**Corporate Social Responsibility**

Our corporate social responsibility ("**CSR**") activities include BharatBloodBank.com, BharatEyeBank.org, BharatGreenHands.org and AbilityMatrimony.com.

- BharatBloodBank.com is a non-profit initiative intended to connect blood donors across India with recipients in an expeditious manner by utilizing the wide reach of the Internet.

- BharatEyeBank.org is a website that aims to create awareness on eye donation and provides members with the opportunity to pledge for donation of their eyes online.

- BharatGreenHands.org is an initiative to restore environmental damage in association with Project Green Hands, an ecological initiative of Isha Foundation. The objective of the initiative is to plant more trees to strike a balance between urbanization and maintaining the ecological systems.

- AbilityMatrimony.com is a free matrimony service exclusively created for people with special needs and those wanting to marry them. The aim of AbilityMatrimony.com is to connect its differently-abled members on a common platform, as part of our mission to facilitate marriages for all cross-sections of society. We believe that by having an exclusive free service for people with special needs, more people will join and avail themselves of such services.

**Insurance**

We maintain insurance policies for our physical assets and our employees as required by applicable laws and regulations. We currently insure electronic equipment and other devices at our offices and retail centers, petty cash and collection cash through master policies that encompass insurance for fire and special perils, terrorism, burglary, electronic equipment, all risks, machinery breakdown, baggage, cash in safe and cash in transit. We also maintain commercial liability insurance, professional indemnity – technology insurance, general medi-claim insurance and group personal accidence insurance for our employees, and directors' and officers' liability insurance.

**Properties**

Our registered and corporate office is located at No. 94, TVH Beliciaa Towers, 10th Floor, Tower 2, MRC Nagar, Mandaveli, Chennai-600028, Tamil Nadu, India on leased premises. This office houses the corporate headquarters, general administration, human resources, sales and service, finance and accounting department. In addition, we also propose to acquire land for the construction of office premises in Chennai. For further details, see the section titled "*Objects of the Offer*" on page 112.

As of March 31, 2017, we had 140 retail centers across India (including premises in New Delhi, Chennai and Kolkata) which are occupied by us pursuant to lease agreements or leave and license arrangements. The leases are typically for a five-year term. As of March 31, 2017, we also had service delivery centers spread across 10 cities in India (including in New Delhi, Bangalore and Hyderabad) which are occupied by us either on leave and license arrangements or pursuant to lease agreements. The lease agreements for the retail and office premises typically provide for 15.00% increase on the then prevailing rent after three years have elapsed. In addition, we have a marketing office operated by our subsidiary in New Jersey which is located in premises which are leased.

**Intellectual Property**

Our intellectual property rights include trademarks and domain names associated with the name "matrimony.com" and our various community, religion-based and other matchmaking portals, some of which we have registered as trademarks or are in the process of applying for trademark protection. We have not made an application to register our Bharat Matrimony logo. For further information, please see "*Risk Factors –We may be unable to protect our logos, brand names and other intellectual property rights which are critical to our business.*" We regard our intellectual property as an important factor contributing to our success. We rely on a combination of trademark law, non-competition and confidentiality agreements with certain of our business consultants and business associates to protect our intellectual property rights. We require our employees, in terms of their offer letters, to keep confidential all information relating to our clients, working systems technical know-how, security arrangements and administrative or organization matters of our Company or clients during and after their employment with us. Our employees are generally required to acknowledge that all intellectual property rights such as copyrights, patents, trademarks and secrets developed by them during their employment are our property. For further details, see the section titled "*Government and Other Approvals – Intellectual Property*" on page 373.

We have registered a number of Internet domain names, including www.matrimony.com,www.bharatmatrimony.com, www.elitematrimony.com, www.communitymatrimony.com, www.assistedmatrimony.com and www.matrimonydirectory.com. We conduct our business under the "BharatMatrimony" brand name and logo, and have registered and applied for various other trademarks relating to matrimony and matrimony-related services in India. For further details, see the section titled "*Government and Other Approvals – Intellectual Property*" on page 373. To focus on and grow our overseas NRI Business, the Company has granted a non-exclusive, non-sub-licensable and non-assignable business license, of certain brand names and domain names owned by the Company to its wholly-owned subsidiary, Consim USA, to operate the NRI Business with effect from December 2015.

**Demerger of Property Business**

To streamline our operations and focus on our core business, we undertook a scheme of arrangement and demerger, pursuant to which our property listing and advisory services business was demerged. The scheme of arrangement and demerger was approved by the High Court of Madras on February 15, 2013 and took effect from April 1, 2012.

For further details on the scheme of arrangement and demerger, see "*History and Certain Corporate Matters—Major Events and Milestones—Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets—Scheme of arrangement and demerger between our Company, India Property Online Private Limited and their respective shareholders and creditors*" on page 166.

**Transfer of NRI Business to Consim USA**

To focus on and grow our online matchmaking business catering to the Indian diaspora in the United States and other countries outside India, the Company has granted a non-exclusive, non-sub-licensable and non-assignable business license of certain brand names and domain names owned by the Company to its wholly-owned subsidiary, Consim USA, to operate the NRI Business in all territories outside India with effect from December 15, 2015 until December 14, 2019. The scope of the services provided by Consim USA pursuant to the license are (i) promotion of our Company's products and services in all territories outside India; (ii) undertaking advertising and marketing activities, including conducting of events for promoting our Company's matchmaking websites in all territories outside India; and (iii) coordinating and tying-up with corporate marketing agencies in all territories outside India. Our Company provides services relating to product/portal development, profile acquisition, database maintenance and web-hosting facilities and Consim USA pays our Company 16% of the net revenues towards database or portal charges and 5% of net revenues towards license fees. For further details, see "*History and Certain Corporate Matters—Other Agreements*" on page 171.

**Phasing out of Tambulya.com and "Matchify" and Closing Down of Operations of Community Matrimony Private Limited**

In 2015, we had introduced Tambulya.com, an online marketplace, for gifts for weddings and other occasions on a bulk order basis but in July 2016, our Board decided to reduce the operations of our subsidiary which operates Tambulya.com in a phased manner without any further investment due to various operational challenges. As of the date of this Draft Red Herring Prospectus, the Tambulya.com website is not operational.

Similarly, in 2015, we had also introduced a mobile-only relationship app, "Matchify", which focused on the mobile dating space in India, but we faced challenges in attracting female users and monetizing the business. As a result, in July 2016, our management decided to reduce the operations of our subsidiary which operates "Matchify" in a phased manner without any further investment since our view is that such relationships are not currently favored by a vast majority of the Indian market at this point in time.

Further, in July 2016, our management also approved discontinuance of the operations of Community Matrimony Private Limited (one of our subsidiaries), which was engaged in the business of providing online and off-line advertising services for matrimonial related products including profile acquisition services, since it was no longer profitable.

## REGULATIONS AND POLICIES

*The following is an overview of the certain sector specific Indian laws and regulations which are relevant to our Company's business. The Consumer Protection Act, tax related statutes and applicable shops and establishment statutes, labour laws and other miscellaneous regulations and statutes apply to us as they do to any other Indian company.*

*The description of law and regulations set out below are not exhaustive and are only intended to provide general information and is neither designed nor intended to be a substitute for professional legal advice. For details of government approvals obtained by our Company in compliance with these regulations, see the section titled "Government and Other Approvals" beginning on page* 372*. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

**Laws relating to intellectual property**

*The Trade Marks Act, 1999*

In India, trademarks are protected under statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration may be made in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be renewed. The Trademark (Amendment) Act, 2010 has been enacted to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademarks in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

*The Patents Act, 1970*

The Patents Act, 1970 ("**Patents Act**") governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights ("**TRIPS**"), India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

The Patents Act under Section 39 also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee.

*The Copyright Act, 1957*

The Copyright Act, 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work exists for a period of sixty years following the demise of the author.

Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

**Information Technology Laws**

*Information Technology Act, 2000*

The Information Technology Act, 2000 ("**IT Act**") regulates and governs the communications made and services provided in the electronic form. It provides legal recognition to transactions carried out by means of electronic data interchange and other means of electronic communication. The IT Act prescribes punishment for publication of, *inter alia*, obscene, offensive materials through electronic means. The Information Technology (Amendment) Act, 2008, which came into force on October 27, 2009, amended the IT Act and *inter alia* gives recognition to contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability.

Under Section 67 of the IT Act, publication or causing publication of lascivious material or material which is likely to corrupt persons, in electronic form, is punishable with imprisonment up to three years and with fine which may extend to ₹ 500,000 on a first conviction, and in the event of a second or subsequent conviction with imprisonment up to five years and also with fine which may extend to ₹ 1 million.

Further, Section 43A provides for a body corporate to pay compensation to the affected person if it fails to protect the sensitive personal data handled, possessed or dealt by it. Pursuant to Section 44 of the IT Act, a person may be imposed with a fine of up to ₹ 0.10 million in case of failure to furnish any document, return or report to the controller or the certifying authority or fails to maintain books or records.

Under Section 69A of the Act and the Information Technology (Procedure & Safeguards for Blocking for Access of Information by Public) Rules, 2009, directions can be issued by the Government or intermediary, blocking public access to any information generated, transmitted, retrieved, stored or hosted in any computer resource. In April 2011, the Department of Information Technology under the Ministry of Communications & Information Technology, the Government of India notified the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 in respect of Section 43A of the IT Act (the "**Personal Data Protection Rules**") and the Information Technology (Intermediaries guidelines) Rules, 2011 in respect of Section 79(2) of the IT Act (the "**Intermediaries Rules**"). The Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it. Further, the Department of Personnel and Training under the Ministry of Personnel, Public Grievances and Pensions, the Government of India has proposed to introduce a new legal framework that would balance national interest with concerns of privacy, data protection and security.

As part of our Company's operations, we are required to comply with the IT Act and the provisions thereof.

*Advisory on functioning of matrimonial websites*

The Department of Electronics and Information Technology, Ministry of Communications and Information Technology, Government of India (currently, the Ministry of Electronics and Information Technology, Government of India), has on, June 6, 2016 issued an advisory circular on the functioning of matrimonial websites and matrimonial mobile applications, which are not mandatory in nature. The advisory recommends certain measures for matrimonial websites including an user agreement to be accepted by each user at the time of registration, submission of supporting documents to verify details of the profile uploaded by users, publishing of the name and contact details of the grievance officer of the company as well as a privacy policy for the websites which inform the user of its privacy practices, including internal controls to safeguard personal information. The advisory also recommends matrimonial websites to work towards achieving national and international standards such as IS/ISO/IEC 27001.

The advisory specifies that matrimonial websites portals are “intermediaries” under the Information Technology Act, 2000 and are required to comply with its provisions including rules made thereunder.

**Labour Legislations**

*Shops and Establishment Acts*

Under the provisions of local shops and establishments legislations applicable in the States in which establishments are set up, establishments are required to be registered under the respective legislations. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Different states have different penalties prescribed for contraventions of their respective legislations.

In addition to the shops and establishment legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws applicable to the business and operations of Indian companies:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947 and
- Employees' Compensation Act, 1923.

In addition, there may be certain state specific labour laws which also need to be complied with by Indian companies**.**

**Other miscellaneous legislations**

*Consumer Protection Act, 1986*

Consumer Protection Act, 1986 (“**Consumer Protection Act**”) came into effect on December 24, 1986. The Consumer Protection Act reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. Any person to whom goods were delivered/intended to be delivered or services were rendered/ intended to be rendered, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under the Consumer Protection Act, *inter alia,* for:

a. an unfair trade practice or a restrictive trade practice has been adopted by a service provider;
b. the services availed or agreed to be availed suffer from any deficiency in any material aspect; and
c. provision of services which are hazardous or likely to be hazardous to life and safety of the public when used are offered by the service provider which such person could have known with due diligence to be injurious to life and safety.

When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

The Consumer Protection Act, 1986 is proposed to be repealed by the Consumer Protection Bill, 2015, once it comes into effect. The Consumer Protection Bill, 2015 has been introduced in Lok Sabha and is still pending approval.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 1956, to the extent applicable, the Companies Act, 2013, FEMA, the Competition Act, 2002, different state legislations, various tax related legislations including in relation to payment of service tax and other applicable statutes for its day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was incorporated as "Matrimony Services.com Private Limited", a private limited company under the Companies Act, 1956 on July 13, 2001 at Chennai, Tamil Nadu. The name of our Company was subsequently changed to "Bharatmatrimony.com Private Limited" pursuant to a resolution passed by the shareholders of our Company on December 5, 2003, to reflect the main brand of our Company. The fresh certificate of incorporation consequent to change of name was issued by the RoC on December 15, 2003. The name of our Company was further changed to "Consim Info Private Limited" pursuant to a special resolution of the shareholders of our Company dated August 30, 2007 to expand and diversify the business of our Company to include other consumer services over the internet and mobile. Pursuant to the name change, a fresh certificate of incorporation was issued by the RoC on September 27, 2007. Subsequently, the name of our Company was changed to "Matrimony.com Private Limited" pursuant to a special resolution of the shareholders of our Company dated July 27, 2012 to align the name of our Company to the business carried out by our Company and a fresh certificate of incorporation was issued by the RoC on August 17, 2012. Subsequently, upon conversion to a public company pursuant to a special resolution of the shareholders of our Company dated December 2, 2014 the name of our Company was changed to Matrimony.com Limited and a fresh certificate of incorporation was issued by the RoC on January 2, 2015.

### Our Main Objects

The main objects of our Company as contained in Clause iii.A of our Memorandum of Association is to provide matrimonial services and all marriage related activities and services through both online, offline channels and also through electronic, print, wireless, mobile devices and other media, and carry on other incidental marriage related activities including various other Internet based matrimony related businesses such as selling or facilitating the sale of various matrimony related merchandise and/or services through online or offline medium and or provide various types of online related services by designing appropriate sites, servicing them and hosting the website or websites for the above purpose; to carry out research activities, investigations, surveys, studies and analysis in relation to matrimony and matrimony related information and services; to collect, collate, analyze and provide data, information, statistics, data bases, trends and other information related to matrimony and matrimony related requirements and services; to render consultancy services in relation to the above; to act as agents for various newspapers and periodicals and for providing all marriage related information; to advice, plan, facilitate or organize the various wedding ceremonies for its customers; and to provide counselling, advice on grooming, fashion and beauty, bridal decoration, bridal dressing, and personal life.

The main object clause and objects incidental or ancillary to the main objects of the Memorandum and Articles of Association enables our Company to undertake its existing activities.

### Amendments to our Memorandum of Association

Since the incorporation of our Company the following changes have been made to our Memorandum of Association:

| Date of change/ shareholders' resolution | Nature of amendment |
|---|---|
| December 5, 2003 | The initial authorised share capital of ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10 each was increased to ₹ 5,000,000 divided into 500,000 equity shares of ₹ 10 each. |
| | The name of our Company was changed from 'Matrimony Services.com Private Limited' to 'Bharatmatrimony.com Private Limited'. |
| December 19, 2005 | The main objects clause iii(A)(1) of our Company was amended to:<br><br>*"To provide matrimonial services and all marriage related activities and services both online offline, through electronic, print, wireless, mobile devices and other media, and other incidental marriage related activities and to act as agent for various newspapers and periodicals and for providing all marriage related information and to provide counselling or advise on various aspects of grooming, fashion and beauty, bridal decoration, bridal dressing and personal life.*" |

| Date of change/ shareholders' resolution | Nature of amendment |
| --- | --- |
| | The following main objects clauses iii(A)(2)(3) and (4) were inserted:<br><br>2. *To carry on various other internet related online businesses like jobs, property, automobile, classifieds, selling various merchandise and/or services through internet/online medium or facilitate sales of various merchandise and/or services and or provide various types of online related services by designing appropriate sites, servicing them and hosting the Website or Websites, make market web enable software or services, and to start website or websites, merchandise the website in one or different names; to host license in any name or names to be the licensee of different website, web related products or internet related activities in accordance with the digital, technological up gradation and to execute e-commerce, e-logic, e-solutions, business of internet service, Electronic mail service, Facsimile services, content marketing efficiency model, content and event aggregation for online medium and or mobile applications, providing content for value added services in mobile telephones and or other communication systems, value chain integration, Transaction processing PC way and SVWs AV format for predominant sound used in the website or web enable software or to arrange a platform for others to conduct that business through our website or websites by linking web server to other servers or World Wide Web through various means of linking whether in India or elsewhere in the world.*<br><br>*3. To set up facilities in India or elsewhere to develop, process, implement, maintain, buy, sell, import, export or otherwise deal in all kinds of Computers and Computing systems including software systems, network, internet, multimedia for all applications industrial, non-industrial, commercial and education; and to provide services to customers who are enrolling seeking various services provided by the company by using one or all of the above.*<br><br>*4. To set up Research and Development facility to develop commercial assignment innovations and findings in the area of Information Technology, to make necessary arrangements for back-up services, to render consultancy services in various application or web based technologies including Human resources development and recruitment and to impart training in all aspects of information technology and computer systems and knowledge.* |
| | Other objects clauses iii (C) (15), (16) and (17) of our Company were inserted:<br><br>*15. To buy, manufacture and sell, import and export all kinds of wooden and steel articles, gift articles, decorative, and other consumables and all kinds of articles necessary for performing marriages.*<br><br>*16. To provide all martial legal, beauty, sex and psychiatric counselling and consulting.*<br><br>*17. To provide, make or produce television serial, cinema, cultural shows and other related business or activities to promote matrimonial services and other incidental activities.* |
| June 16, 2006 | The authorized share capital of our Company was altered by way of subdivision to ₹5,000,000 divided into 5,000,000 equity shares of ₹ 1.00 each, whereby one equity share of ₹10.00 each was sub-divided into ten equity shares of ₹ 1.00 each. |
| July 27, 2006 | The authorised share capital of ₹ 5,000,000 divided into 5,000,000 equity shares of ₹ 1.00 each was increased to ₹ 5,400,000 divided into 5,000,000 equity shares of ₹ 1.00 each and 400,000 preference shares of ₹ 1.00 each. |
| August 30, 2007 | The name of our Company was changed from 'Bharamatrimony.com Private Limited' to 'Consim Info Private Limited'. |
| January 7, 2012 | The authorised share capital of ₹ 5,400,000 divided into 5,000,000 equity shares of ₹ 1.00 each and 400,000 preference shares of ₹ 1.00 each was increased to ₹ 141,000,000 divided into 120,000,000 equity shares of ₹ 1.00 each and 21,00,000 preference shares of ₹ 1.00 each. |
| January 23, 2012 | The authorized share capital of our Company was altered by way of consolidation to ₹ 141,000,000 divided into 40,000,000 equity shares of ₹ 3.00 each and 7,000,000 preference shares of ₹ 3.00 each, whereby three equity shares of ₹ 1.00 each were consolidated into one equity share of ₹ 3.00 each and three preference shares of ₹ 1.00 each were consolidated into one preference share of ₹ 3.00 each. |
| July 27, 2012 | The name of our Company was changed from 'Consim Info Private Limited' to 'Matrimony.com Private Limited'. |

| Date of change/ shareholders' resolution | Nature of amendment |
|---|---|
| | The main objects clause iii(A)(1) of our Company was amended to:<br><br>*"To provide matrimonial services and all marriage related activities and services through both online, offline channels and also through electronic, print, wireless, mobile devices and other media, and carry on other incidental marriage related activities including various other internet based matrimony related businesses such as selling or facilitating sale of various matrimony related merchandise and/or services through online or offline medium and or provide various types of online related services by designing appropriate sites, servicing them and hosting the website or website for the above purpose; to carry out research activities, investigations, surveys, studies and analysis in relation to matrimony and matrimony related information and services; to collect, collate, analyze and provide data, information, statistic, data bases, trends and other information related to matrimony and matrimony related requirement and services; to render consultancy services in relation to the above; to act as agents for various newspapers and periodicals and for providing all marriage related information; to advice, plan, facilitate or organize the various wedding ceremonies for its customers; and to provide counselling, advice on grooming, fashion and beauty, bridal decoration, bridal dressing, and personal life."* |
| | The main objects clauses iii(A)(2)(3) and (4) were deleted |
| December 2, 2014 | The MoA was replaced in its entirety for compliance with the provisions of the Companies Act, 2013 and the rules thereunder. |
| | The name of our Company was changed from 'Matrimony.com Private Limited' to 'Matrimony.com Limited'. |
| December 31, 2014 | The authorised share capital of ₹ 141,000,000 divided into 4,00,00,000 equity shares of ₹ 3.00 each and 7,000,000 preference shares of ₹ 3.00 each was increased to ₹ 201,000,000 divided into 60,000,000 equity shares of ₹ 3.00 each and 7,000,000 preference shares of ₹ 3.00 each. |
| August 5, 2015 | The authorized share capital of our Company was altered by way of consolidation to ₹ 201,000,000 divided into 36,000,000 Equity Shares and 4,200,000 Preference Shares whereby five equity shares of ₹ 3.00 each were consolidated into three equity shares of ₹ 5.00 each and five preference shares of ₹ 3.00 each were consolidated into three preference shares of ₹ 5.00 each. |

### Total Number of Shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has 51 holders of Equity Shares. For further details on the shareholding of our Company, see "*Capital Structure*" at page 85.

### Changes in the Registered Office of our Company

The details of the change in the registered office of our Company since incorporation are as below:

| Effective Date | Details of change | Reason for change |
|---|---|---|
| October 1, 2001 | The registered office of our Company was changed from 39C/7 (New No. 273) Village Street, Sathuma Nagar, Chennai 600 019, Tamil Nadu to No. 306, Prince Centre, III Floor, 709 & 710, Anna Salai, Pathari Road, Chennai 600 006, Tamil Nadu. | To enable greater administrative convenience |
| July 15, 2002 | The registered office of our Company was changed from No. 306, Prince Centre, III Floor, 709 & 710, Anna Salai, Pathari Road, Chennai 600 006, Tamil Nadu to 301, Prince Centre, 709 & 710, Anna Salai, Pathari Road, Chennai 600 006, Tamil Nadu. | To enable greater administrative convenience |
| January 20, 2009 | The registered office of our Company was changed from 301, Prince Centre, 709 & 710, Anna Salai, Pathari Road, Chennai 600 006, Tamil Nadu to TVH Beliciaa Towers, Tower II, 10th Floor, No.94, MRC Nagar, Mandaveli, Chennai 600 028, Tamil Nadu. | To enable greater administrative convenience |

### Awards and Accreditations

| Year | Accreditations |
|---|---|
| 2016 | Global Mobile App Summit and Award in the Social – Matrimonial category for the Bharat Matrimony app. |

| Year | Accreditations |
| --- | --- |
| 2015 | Special jury mention for gender sensitivity (2013-2014) received for a TVC (Bharat Matrimony-Career) at the National Laadli Media and Advertising Awards |
| | Certificate of excellence received from NASSCOM for 'Innovative Application of Analytics for Business Solution, 2015 |
| 2014 | Awarded ISO 9001:2008 by Lloyd's Register Quality Assurance Limited |
| | Bharatmatrimony.com awarded 'India's most trusted online matrimony' by Trust Research Advisory |
| | 'Most used matrimonial search websites' in the year 2013-14 by Juxt consult |
| 2013 | 'Best 'PE / VC backed Consumer Internet Company' by VC Circle |
| | Honoree 2013 awarded to matrimony.com by Paul Writer for being one of the 50 hot brands in 2013 |
| 2011 | 'Best Indian Community Website' awarded by NDTV-Hindu Lifestyle |
| 2010 | Brand Leadership Award at the 9th Indira Awards for marketing excellence |
| 2009 | Red Herring 100 Global Winner |
| 2008 | Recognised as one of the fastest growing technology companies in the Technology Fast 50 India 2008 program conducted by Deloitte Touche Tohmatsu, Asia Pacific. |
| | Certificate awarded by PC World India to Bharatmatrimony.com for excellence in technology usage in the matrimonial category. |
| 2007 | Featured in the Limca Book of Records, for record number of documented marriages online. |

**Major Events and Milestones**

The table below sets forth some of the major events in the history of our Company:

| S No. | Calendar Year | Details |
| --- | --- | --- |
| 1. | 2002 | • Launched 'Mega Swayamvaram', the then largest matrimony meet in the world |
| 2. | 2006 | • Received funding from Canaan VII Mauritius, Overture Services Europe BV, Draper Investment Company LLC and Hartenbaum Revocable Trust U/A/D 02/03/06 |
| 3. | 2008 | • Received funding from Mayfield XII, Mauritius, Canaan VII Mauritius, Overture Services Europe BV, Draper Investment Company LLC and Hartenbaum Revocable Trust U/A/D 02/03/06<br>• Launched "Elite Matrimony", an exclusive match making services for premium customers |
| 4. | 2009 | • Launched "Community Matrimony" |
| 5. | 2010 | • Launched "Assisted Matrimony" |
| 6. | 2011 | • "Bharatmatrimony" made available on iPhone, iPad, Android, Blackberry, Nokia devices.<br>• Received third round of funding from Canaan VII Mauritius and Mayfield XII, Mauritius.<br>• Yahoo! Netherlands BV (formerly Overture Services Europe BV) sold its investment in our Company to Bessemer India Capital Holdings II Ltd., Mayfield XII, Mauritius and Canaan VII Mauritius. |
| 7. | 2012 | • Featured in Guinness Book of Records for largest photo album |
| 8. | 2013 | • Demerger of property advisory and marketing business of the Company |
| 9. | 2016 | • Launched "Matrimony Bazaar" |
| 10. | 2017 | • Launched "Matrimony Mandaps" |

*Strike and lock-outs*

We have not experienced any strikes, lock-outs or labour unrest in the past.

*Time/cost overruns*

Our Company has not experienced time and cost overruns in relation to the projects executed by us.

*Changes in activities of our Company during the last five years*

Except the demerger of the property advisory and marketing business of the Company and licensing of our online matchmaking business catering to the Indian diaspora to Consim Info. USA. Inc. (one of our Subsidiaries) for which subscription revenues were received in foreign currency by our Company and are now received by Consim Info. USA. Inc., there have been no changes in the activities of our Company during the last five years from the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or losses, including discontinuance of any lines of business, loss of agencies or markets and similar factors. For further details, see section titled '*History and Certain Corporate Matters – Material Agreements - Other Agreements*' on page 170.

Further, in its meeting on July 21, 2016, our Board has decided to discontinue the operations of Community Matrimony Private Limited, one of our subsidiaries, and reduction in the operations of Tambulya Online Marketplace Private Limited and Matchify Services Private Limited, two of our other subsidiaries, in a phased manner and without any further investment. See also the section titled "*Our Business - Phasing out of Tambulya.com and "Matchify"* on page 156.

*Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by our Company.*

There have been no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

*Capital raising (Equity/ Debt)*

Our equity issuances in the past and availing of debts as on March 31, 2017 have been provided in "*Capital Structure*" and "*Financial Indebtedness*" on pages 85 and 361, respectively. Further, our Company has not undertaken any public offering of debt instruments since its inception.

*Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets*

***Scheme of arrangement and demerger between our Company, India Property Online Private Limited and their respective shareholders and creditors***

Pursuant to the resolution dated August 22, 2012, our Board approved a scheme of arrangement and demerger under Sections 391-394 read with Sections 100-104 of the Companies Act, 1956 (the "**Demerger Scheme**") between our Company and India Property Online Private Limited ("**IPOPL**"), which was a wholly-owned subsidiary of our Company. The High Court of Madras by an order dated February 15, 2013 sanctioned the Demerger Scheme. Pursuant to the Demerger Scheme, the property marketing and advisory business of our Company, including all assets, liabilities and immoveable property ("**Property Marketing and Advisory Business**") were transferred to IPOPL with effect from April 1, 2012 (the "**Appointed Date**").

The Demerger Scheme became effective on the later of the dates on which the certified copies of the High Court Order were filed with the Registrar of Companies, Tamil Nadu by our Company and IPOPL, i.e., March 1, 2013.

The Demerger Scheme, *inter-alia*, provided for (i) the manner of transfer and vesting of the Property Marketing and Advisory Business, (ii) the enforcement of contracts and other instruments of whatsoever nature in relation to the Property Marketing and Advisory Business to which our Company is a party, against IPOPL as though IPOPL had been a party to such contracts and instruments, (iii) the transfer of all legal and other proceedings initiated by or against our Company to the name of IPOPL and (iv) the transfer of all employees of our Company in relation to the Property Marketing and Advisory Business to IPOPL.

Pursuant to the Demerger Scheme, the equity shares held by our Company and our Promoter in IPOPL were cancelled on March 1, 2013. As consideration for the transfer of the Property Marketing and Advisory Business, in terms of the Demerger Scheme, the equity and preference shareholders of our Company, including our Promoter, were allotted 4,232,297 equity shares of ₹ 1.00 each of IPOPL on March 1, 2013 in the same proportion in which they held shares in our Company.

**Business and Management**

For details of our Company's corporate profile, business, services, products, marketing, the description of its activities, products, market segment, the growth of our Company, exports and profits due to foreign operations together with the country-wise analysis, standing of our Company in relation to prominent competitors with reference to our services, products, technology, market, capacity built up, major suppliers, major customers and geographical segment, see the sections titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" at page 138 and 337, respectively.

For details of the management of our Company and its managerial competence, see the section titled "*Our Management*" at page 176.

**Injunctions or Restraining Order against our Company**

Except as disclosed in the section titled "*Outstanding Litigation and Material Developments*" beginning on page 362, there are no injunctions or restraining orders against our Company.

**Material Agreements**

**Share Purchase and Shareholders' Agreements**

***Amended and Restated Shareholders' Agreement dated September 28, 2011 and supplemental agreement dated January 7, 2012 among the Company, Murugavel Janakiraman, Indrani Janakiraman, Mayfield XII, Mauritius ("Mayfield"), Canaan VII Mauritius ("Canaan"), Draper Investment Company, LLC ("Draper"), The Hartenbaum Revocable Trust U/A/D 02/03/2006 ("Hartenbaum") and Bessemer India Capital Holdings II Ltd. ("Bessemer") (together, the "Investors")***

The Company issued and allotted Canaan, Draper, Hartenbaum and Yahoo! Netherlands BV (formerly Overture Services Europe BV) ("**Yahoo**") ("**Series A Investors**") 217,070 series A optionally convertible redeemable preference shares ("**Series A Preferred Shares**"), pursuant to the series A share subscription agreement dated July 20, 2006. The Company issued and allotted Mayfield, Canaan, Draper, Hartenbaum and Yahoo ("**Series B Investors**") 97,917 series B compulsorily convertible preference shares ("**Series B Preferred Shares**"), pursuant to the series B share subscription agreement dated January 16, 2008. The Company further issued and allotted Mayfield and Canaan ("**Series C Investors**") 16,338 series C compulsorily convertible cumulative preference shares ("**Series C Preferred Shares**"), pursuant to the series C share subscription agreement dated March 25, 2011 and pursuant to such share subscription agreement, the Company, Murugavel Janakiraman, Indrani Janakiraman, Mayfield, Canaan, Draper and Hartenbaum entered into a shareholders' agreement dated March 25, 2011 ("**Series C Shareholders Agreement**").

Pursuant to a stock purchase agreement dated September 12, 2011 between the Company, Yahoo, Mayfield, Canaan and Bessemer, details of which have been described below, Yahoo has sold and each of Mayfield, Canaan and Bessemer have purchased equity shares issued upon conversion of certain Series A Preferred Shares ("**New Equity Shares**") and the Series B Preferred Shares.

***Stock Purchase Agreement dated September 12, 2011 ("SPA") among Bessemer, Canaan and Mayfield (the "Consim Purchasers", and together with Xplorer Capital Mauritius I, Xplorer Capital Mauritius II, the "Purchasers"), Yahoo (the "Seller"), the Company and Xplorer Pathfinder, LLC***

Pursuant to the SPA and the amendment agreement to the SPA dated September 28, 2011, the Seller has sold an aggregate of 87,832 duly converted Series A Preferred Shares and an aggregate of 11,962 Series B preference shares, to the Consim Purchasers at a price of $173.86 per share for an aggregate purchase price of $17,350,000. Upon transfer of these shares, all rights held by the Seller under the Series C Shareholders Agreement and the MoA and AoA of the Company were *pro rata* available to each of the Consim Purchasers. Further, Bessemer was transferred the exclusive right to exercise the Sellers's rights under the provisions of the Series C Shareholders Agreement, including the right to appoint or replace the Seller's director on the Board of the Company. The applicable deed of adherence in this regard was executed by the Consim Purchasers and the Seller. The SPA is governed by and construed in accordance with the laws of the state of California, USA.

Our Company, Murugavel Janakiraman, Indrani Janakiraman and the Investors entered into the shareholders' agreement dated September 28, 2011 ("**Shareholders' Agreement**") which has superseded and restated the Series C Shareholders Agreement.

The salient features of special rights contained in the Shareholders' Agreement are summarised herein below:

***IPO Demand Rights***: After December 31, 2010, Mayfield, Canaan and Bessemer ("**Majority Investors**") have the right to require the Company to conduct an initial public offering in India ("**IPO**") and a secondary offer for sale up to the entire amount of the equity shareholding of such Majority Investor. The IPO is required to be consummated within a period of 180 days from the date of approval by the Board. Each of the Investors has the right to include all or part of their respective shareholding in the IPO through an offer for sale on the same terms and conditions as the Equity Shares of the Company.

After the first anniversary of the IPO, in the event the Investors are restricted from selling the Investor Shares in India, the Majority Investors may require the Company to conduct a secondary sponsored offering of ADRs or GDRs against such number of Equity Shares tendered by them.

***Investor Shares Buyback Option***: After three years from the date of issue of the Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares (the "**Investor Preferred Shares**") and the New Equity Shares (together with the Investor Preferred Shares, the "**Investor Shares**") any of the Majority Investors, may independently require the Company to offer to buy back all or any number of such shares held by them in three equal instalments at certain designated dates.

***Dividend Rights***: The Investors are entitled to receive dividends on their Investor Preferred Shares on a share-for-share basis with the holders of Equity Shares, when declared by the Company.

***Liquidation Rights***: Pursuant to redistribution, among the shareholders of the Company, out of the assets or surplus funds of the Company or out of the proceeds received pursuant to a change in control in the Company, the holders of the Investor Shares are entitled to receive an amount for each Investor equal to the sum of 1.5 times the original issuance price for the respective Investor Shares. They are also entitled to receive any declared but unpaid dividends on such Investor Shares.

***Conversion***: Each of the Investor Preferred Shares are convertible at any time after the date of their issuance into such number of fully paid Equity Shares, as determined by the formula prescribed in the Shareholders' Agreement. Each of the Investor Preferred Shares will be automatically converted into Equity Shares at the prescribed conversion prices in effect at the time, immediately upon earlier of (i) the latest date on which the Investor Preferred Shares are required to be converted into Equity Shares as per applicable laws in connection with an IPO or a global offering at a price equal to or exceeding 1.5 times the original conversion price of the Series C Preferred Shares and in which offering the aggregate proceeds to the Company are not less than $40,000,000, or (ii) the date specified by the holders of the outstanding Investor Preferred Shares. Further, the Series B Preferred Shares and the Series C Preferred Shares shall automatically convert into Equity Shares on the 20$^{th}$ anniversary of the date of their respective issue and allotment.

***Voting Rights***: The Investors have voting rights and powers *pari passu* with the holders of Equity Shares. In the event such voting rights becomes unenforceable under applicable laws and upon conversion of the Company from a private company to a public company, Murugavel Janakiraman and Indrani Janakiraman will be required to vote in accordance with the instructions of the Investors at a general meeting, in respect of the number of Equity Shares held by them.

***Pre-emptive Rights***: Each Investor is granted the pre-emptive right to purchase its pro rata share of the capital of the Company and securities which are or may become exercisable or convertible into capital, not including *inter alia* the equity shares issued pursuant to the IPO or issued as a dividend or distribution on Investor Shares or issued pursuant to any of the subscription agreements. Each Investor shall also have a right of over-allotment in the event any Investor fails to exercise such prescribed right, and may purchase the non-purchasing Investor's portion on a pro rata basis.

***Board Matters***: Each Majority Investor has the right to appoint one Investor director on at least one of the Compensation Committee or the Audit Committee.

***Right of Refusal for Promoter Offered Shares and Investor Shares***: Each of the Majority Investors has the right to purchase all or any of the Equity Shares offered by the Promoter(s) for sale for a period of 30 days after receipt of the transfer notice to this effect. The Majority Investors also have the right to purchase the remainder Equity Shares of the Promoter, if any, up to their full pro rata entitlement. Further, each of the Majority Investors has the right to purchase all or any of the shares offered for sale by the other Investors for a period of 30 days after receipt of the transfer notice to this effect. Each Majority Investor who does not exercise such right of first refusal, has the right to participate in such sale of the Promoter's Equity Shares which are not being purchased by the other Majority Investors.

***Voting Agreement***: Each party to the Shareholders' Agreement will vote all Equity Shares and Investor Preferred Shares in such manner as may be necessary to elect as members of the Board of Directors, three Majority Investor directors, three Promoter directors and one independent director in the manner prescribed in the Shareholders' Agreement. The parties to the Shareholders' Agreement have agreed to maintain the authorised number of members of the Board of Directors at seven.

***Investor Protective Provisions***:

- Without first having received approval of Mayfield and Canaan (so long as any of them hold at least 3% of the share capital of the Company on a fully diluted basis), neither the Company nor any shareholder shall approve or take any actions or matters including amendments to corporate documents, change in control, merger, acquisitions, reconstitution and consolidation of the business of the Company and/or its Subsidiaries, creation, issuance, decrease or alteration of any capital stock, any third party purchases, any transfer of assets, change in the Board of Directors, approval of annual accounts and remuneration and compensation paid to the Board of Directors.

- Without first having received approval of Mayfield, Canaan and Bessemer (so long as both of them hold at least 3% of the share capital of the Company on a fully diluted basis), neither the Company nor any shareholder shall approve or take any actions or matters including change to the Investor Shares, change in the Company's business, declaration of dividends, buy backs, entering into loans, related party transactions and the creation of any liens.

***Agreement dated December 17, 2014 between our Company, Murugavel Janakiraman, Indrani Janakiraman and the Investors ("Amendment Agreement")***

Our Company, Murugavel Janakiraman, Indrani Janakiraman and the Investors have executed an amendment agreement dated December 17, 2014 pursuant to which the Shareholders' Agreement will be terminated on and from the date of listing of Equity Shares on a recognised stock exchange pursuant to the Offer. In terms of the Amendment Agreement, the Investors have agreed to waive certain of their rights under the Shareholders' Agreement including those in relation to restrictions on transfer and right of first refusal. Further, if the Offer is not completed prior to December 31, 2015 or if the Board decides not to undertake the Offer, the Shareholders' Agreement shall continue and the Amendment Agreement shall be terminated, Part II of the Articles shall continue to remain in force and the Company will be converted into a private limited company. Pursuant to amendment agreements dated August 9, 2016 and April 28, 2017, the current parties to the Amendment Agreement have agreed to extend the date on which the Shareholders' Agreement terminates to September 30, 2017, or the date on which our Board decides not to undertake the Offer, whichever is later.

***Deed of adherence dated March 19, 2015 between our Company, Murugavel Janakiraman, Indrani Janakiraman, CMDB II and the Investors ("CMDB II Deed of Adherence")***

Pursuant to the transfer of the entire shareholding of Canaan in our Company to CMBD II, the CMDB II Deed of Adherence was entered into between our Company, Murugavel Janakiraman, Indrani Janakiraman and the Investors with CMDB II. As per the terms of the CMDB II Deed of Adherence, CMDB II was made a party to the Shareholders' Agreement and Amendment Agreement and is bound by all the rights, duties and obligations as applicable to the Investors under the Shareholders' Agreement and the Amendment Agreement.

***Deed of adherence dated August 6, 2016 between our Company, Murugavel Janakiraman, Indrani Janakiraman, Mohamed Farook, CMDB II, Mayfield XII, Mauritius, Draper Investment Company, LLC and Bessemer India Capital Holdings II Ltd. ("Deed of Adherence")***

Pursuant to the transfer of the entire shareholding of Hartenbaum in our Company to Mohamed Farook, the Deed of Adherence was entered into between our Company, Murugavel Janakiraman, Indrani Janakiraman, CMDB II, Mayfield XII, Mauritius, Draper Investment Company, LLC and Bessemer India Capital Holdings II Ltd. with Mohamed Farook. As per the terms of the Deed of Adherence, Mohamed Farook was made a party to the Shareholders' Agreement and Amendment Agreement and is bound by all the rights, duties and obligations as applicable to the Investors under the Shareholders' Agreement and the Amendment Agreement.

**Other Agreements**

***Agreements in relation to settlement of the Desai et. al. v. Infonauts et al litigation***

In May 2011, Rajan Desai and Real Soft, Inc. ("**US Plaintiffs**") filed a complaint in the Superior Court of New Jersey in Mercer County, New Jersey ("**NJ Court**" and such proceedings, the "**New Jersey Proceedings**"). After several amendments to the original complaint, and the NJ Court granting motions to dismiss filed by certain defendants, the defendants to the New Jersey Proceedings were Infonauts, Consim USA, our Company, the boards of directors of Infonauts and Consim USA and our Promoter (collectively, the "**Defendants**"). In the New Jersey Proceedings, the US Plaintiffs alleged breach of the terms of a term-sheet signed by the US Plaintiffs with Infonauts (with our Promoter as signatory) in March 2001 and claimed various remedies, including specific performance of the term-sheet, award of an equity interest in 'bharatmatrimony.com' and a constructive trust on 'bharatmatrimony.com' and all associated businesses.

In July 2013, our Company filed a civil suit against the US Plaintiffs in the Madras High Court seeking, among other remedies, a permanent injunction against the US Plaintiffs from continuing the New Jersey Proceedings. In August 2013, the Madras High Court granted an *ex-parte* ad-interim injunction, restraining the US Plaintiffs from pursuing the New Jersey Proceedings, and from interfering in our Company's business (including the Offer). The term of this injunction was extended by the Madras High Court in November 2013 and made absolute in December 2013. Subsequently, upon the US Plaintiffs making certain amendments to the New Jersey complaint notwithstanding the anti-suit injunctions, our Company filed a contempt application against the US Plaintiffs in the Madras High Court in March 2014. The civil suit and contempt applications are collectively referred to as the "**Chennai Proceedings**".

Subsequently, the US Plaintiffs and Defendants entered into a settlement and general release agreement on December 30, 2015 ("**Settlement Agreement**") to settle the New Jersey Proceedings and the Chennai Proceedings (as a result of a formal mediation process between the US Plaintiffs and the Defendants). The US Plaintiffs and Defendants have mutually agreed to and acknowledged the terms of the Settlement Agreement to be legally binding on them and their successors and assigns. The Settlement Agreement further provides that the Settlement (defined below) has been entered into as a compromise and final settlement of disputed claims, and the US Plaintiffs and Defendants have expressly denied any wrongdoing or liability, and disclaimed any admission thereof.

The principal terms of the Settlement Agreement are set forth below.

*Settlement amount and corporate guarantee:* Consim USA has agreed to pay the US Plaintiffs a sum of US$ 8,000,000 ("**Settlement Amount**"), to settle the New Jersey Proceedings and the Chennai Proceedings ("**Settlement**"). The payment of the Settlement Amount would be supported by an irrevocable corporate guarantee from our Company. Upon receiving approval of the RBI on March 16, 2016 ("**RBI Approval**"), our Company executed a corporate guarantee dated March 21, 2016 in favour of Rajan Desai ("**Company Guarantee**").

*Settlement payments:* The Settlement Amount is required to be paid in up to 22 instalments (each instalment, a "**Settlement Payment**"). The first Settlement Payment of US$ 1,000,000 was due within 30 days of receipt of the RBI Approval, and was made on March 28, 2016. The remaining Settlement Payments are due on the last day of each month commencing after the first Settlement Payment, and are required to be of a minimum of US$ 250,000 provided that the total paid in each quarter is at least US$ 1,000,000.

*Dismissal of actions:* Following the first Settlement Payment, the New Jersey Proceedings were dismissed, upon counsel to the US Plaintiffs and Defendants filing a stipulation of dismissal with the NJ Court on March 29, 2016. The Chennai Proceedings were dismissed by orders of the Madras High Court dated April 4, 2016.

*Confession of judgement and failed Settlement Payments:* Upon execution of the Settlement Agreement, Consim USA executed a confession of judgment on December 30, 2015 in favour of the US Plaintiffs ("**Confession of Judgement**"). The Confession of Judgement acknowledges a debt owed by Consim USA to the US Plaintiffs corresponding to the Settlement Amount, together with interest, if any, and may be enforced by the US Plaintiffs only if (a) Consim USA misses a Settlement Payment, (b) Consim USA does not make the missed Settlement Payment within 30 days of notice of such missed payment, and (c) the Company does not make the missed Settlement Payment within 15 days of notice thereafter.

If Consim USA fails to make any of the remaining Settlement Payments pursuant to the terms of the Settlement Agreement, the US Plaintiffs may invoke the Company Guarantee requiring our Company to make the relevant Settlement Payment within 15 days. If the Settlement Payment is not furnished by our Company within 15 days, (a) the remaining Settlement Amount will be due immediately with interest at the rate of the 8.75% over the Prime Rate (being the rate charged by US banks as reported by the Wall Street Journal's bank survey), on the unpaid amount, and (b) the US Plaintiffs will be entitled to file and enforce the Confession of Judgement. If the US Plaintiffs do not receive full payment of the Settlement Amount within one year of filing the Confession of Judgment against Consim USA, the US Plaintiffs are entitled to enforce the debt against our Company in respect of the Company Guarantee.

The US Plaintiffs also have the right, upon Consim USA (a) not making a Settlement Payment within 15 days of its due date, or (b) failing to make two Settlement Payments on the date they are due, to require Consim USA to create a lockbox of its revenues where the first US$ 333,334 of each month is paid to the US Plaintiffs, and the remaining funds are released to Consim USA. The lockbox shall remain in existence until the Settlement Amount, and accrued interest, if any, is paid in full.

In order to accede to the entry of, and the terms of the Settlement Agreement, the Defendants have also entered into an inter-se agreement on December 21, 2015 ("**Inter Se Agreement**"). In the Inter Se Agreement, the Defendants agreed that Consim USA would make the Settlement Payments, and our Company would seek and obtain the RBI Approval and furnish the Company Guarantee. Further, in settlement of any claims that our Company may have against our Promoter in relation to the New Jersey Proceedings and the Chennai Proceedings, our Promoter has agreed to make a voluntary contribution of US$ 2,000,000 ("**Voluntary Contribution**") to our Company. The Voluntary Contribution will be made by the Promoter upon the Company calling upon the Promoter to pay the Voluntary Contribution the expiry of 15 months of the date of Allotment through the Offer. In the event that Allotment is not effected by September 30, 2017, the Voluntary Contribution is required to be paid by March 31, 2018.

***Business license agreement dated December 15, 2015 among the Company and Consim Info USA Inc.*** ("**Consim Info**") *(the "**License Agreement**")*

Pursuant to the License Agreement, the Company has granted a non-exclusive, non-sub-licensable and non-assignable business license to Consim Info of certain brand names and domain names owned by the Company, as specified in the License Agreement to undertake matrimony matchmaking business to cater to the Indian diaspora ("**NRI Business**") in U.S.A and other countries outside of India. ("**Territory**")

The licence permits Consim Info to promote our Company's products and services in the Territory; to undertake advertising and marketing activities; and to co-ordinate and tie-up with corporate marketing agencies in the Territory, in consideration for payments to be made in accordance with the License Agreement.

Further, the Company has also undertaken to provide access, on a non-exclusive, non-sub-licensable and non-assignable basis to the database used by the Company in the matrimony matchmaking business operated by the Company in India and provide services relating to product/portal development, profile acquisition, database maintenance and web-hosting to Consim Info, in consideration for payments to be made in accordance with the License Agreement. The License Agreement is valid for a term up to December 14, 2019.

**Holding Company**

Our Company does not have a holding company.

**Subsidiaries of our Company**

Currently, our Company has the following five subsidiaries.

1. Community Matrimony Private Limited;
2. Sys India Private Limited;
3. Matchify Services Private Limited;
4. Tambulya Online Marketplace Private Limited; and
5. Consim Info USA. Inc.

The details of our Subsidiaries are as follows:

***1. Community Matrimony Private Limited ("CMPL")***

CMPL was incorporated under the Companies Act, 1956 on July 7, 2009. Its registered office is situated at Arihant E-Park, 6th Floor, No. 117/1 Lattice Bridge Road, Adyar, Chennai 600 020, Tamil Nadu, and its CIN is U74999TN2009PTC072210. CMPL is engaged in, *inter alia*, the business of providing online and off-line advertising services for a matrimonial related products.

*Capital structure*

| |
|---|
| **Authorised share capital** |
| 1,000,000 equity shares of ₹ 1.00 each aggregating to ₹ 1,000,000 |
| **Issued, subscribed and paid up share capital** |
| 100,000 equity shares of ₹ 1.00 each aggregating to ₹ 100,000 |

*Shareholding pattern*

The shareholding pattern of CMPL as on the date of this Draft Red Herring Prospectus is as follows:

| Name of shareholder | No. of equity shares | % of total equity holding |
|---|---|---|
| Matrimony.com Limited | 99,999 | 99.99 |
| Murugavel Janakiraman (as a nominee shareholder on behalf of our Company) | 1 | 0.01 |
| **Total** | **100,000** | **100.00** |

CMPL has not made any public or rights issue in the last three years and has not become a sick company as specified under SICA.

There are no accumulated profits or losses of CMPL not accounted for by our Company.

***2. Sys India Private Limited ("SIPL")***

SIPL was incorporated under the Companies Act, 1956 on May 18, 2010. Its registered office is situated at Tower 2, 10th Floor, No 94, TVH Beliciaa Towers, MRC Nagar, Chennai 600 028, Tamil Nadu, and its CIN is U74300TCN2010PTC075740. SIPL is engaged in, *inter alia*, the business of advertising or as publicity agents, sub-agents, contractors and for that purpose to purchase and sell advertising time or space in India or abroad.

*Capital structure*

| |
|---|
| **Authorised** |

| |
|---|
| 500,000 equity shares of ₹ 1.00 each aggregating to ₹ 500,000 |
| **Issued, subscribed and paid up share capital** |
| 100,000 equity shares of ₹ 1.00 each aggregating to ₹ 100,000 |

*Shareholding pattern*

The shareholding pattern of SIPL as on the date of this Draft Red Herring Prospectus is as follows:

| Name of shareholder | No. of equity shares | % of total equity holding |
|---|---|---|
| Matrimony.com Limited | 99,900 | 99.99 |
| Murugavel Janakiraman (as a nominee shareholder on behalf of our Company) | 100 | 0.01 |
| **Total** | **100,000** | **100.00** |

SIPL has not made any public or rights issue in the last three years and has not become a sick company as specified under SICA and is not under winding up proceedings.

There are no accumulated profits or losses of SIPL not accounted for by our Company.

### *3. Matchify Services Private Limited ("Matchify")*

Matchify was incorporated under the Companies Act, 2013 on November 12, 2014 as Matchify.in Private Limited. The name of the company was subsequently changed to Matchify Services Private Limited on December 29, 2014. Its registered office is situated at TVH Beliciaa Towers, Tower II, 10th Floor, No. 94, MRC Nagar, Mandaveli, Chennai - 600028 and its CIN is U74900TN2014PTC097993. Matchify is engaged in, *inter alia*, the business of providing match making related services through mobile applications and internet platform.

*Capital structure*

| **Authorised** |
|---|
| 4,200,000 equity shares of ₹ 10.00 each aggregating to ₹ 42,000,000 |
| **Issued, subscribed and paid up share capital** |
| 4,124,500 equity shares of ₹ 10.00 each aggregating to ₹ 41,245,000 |

*Shareholding pattern*

The shareholding pattern of Matchify as on the date of this Draft Red Herring Prospectus is as follows:

| Name of shareholder | No. of equity shares | % of total equity holding |
|---|---|---|
| Matrimony.com Limited | 4,124,499 | 99.99 |
| Murugavel Janakiraman (as a nominee shareholder on behalf of our Company) | 1 | 0.01 |
| **Total** | **4,124,500** | **100.00** |

Matchify has not made any public or rights issue in the last three years and has not become a sick company as specified under SICA and is not under winding up proceedings.

There are no accumulated profits or losses of Matchify not accounted for by our Company.

### 4. *Tambulya Online Marketplace Private Limited ("TOMPL")*

TOMPL was incorporated under the Companies Act, 2013 on January 22, 2015. Its registered office is situated at TVH Beliciaa Towers, Tower II, 10$^{th}$ floor, No. 94, MRC Nagar, Mandaveli, Chennai – 600 028 and its CIN is U74999TN2015PTC098929. TOMPL is engaged in, *inter alia*, the business of providing a platform, technology and/or other mechanisms/services through websites for buying, selling, marketing, importing, exporting and trading in gift items on a bulk basis.

*Capital structure*

| Authorised share capital |
|---|
| 3,200,000 equity shares of ₹10.00 each aggregating to ₹ 32,000,000 |
| **Issued, subscribed and paid up share capital** |
| 3,050,000 equity shares of ₹10.00 each aggregating to ₹30,500,000 |

*Shareholding pattern*

The shareholding pattern of TOMPL as on the date of this Draft Red Herring Prospectus is as follows:

| Name of shareholder | No. of equity shares | % of total equity holding |
|---|---|---|
| Matrimony.com Limited | 3,049,999 | 99.99 |
| Murugavel Janakiraman (as a nominee shareholder on behalf of our Company) | 1 | 0.01 |
| **Total** | **30,500,000** | **100.00** |

TOMPL has not made any public or rights issue in the last three years and has not become a sick company as specified under SICA and is not under winding up proceedings.

There are no accumulated profits or losses of TOMPL not accounted for by our Company.

***5. Consim Info USA. Inc ("Consim Info")***

Consim Info was incorporated under the New Jersey State Law on May 19, 2010. Its registered office is situated at 220 Davidson Ave, Suite 315, Somerset, New Jersey 08873 and its company registration number is 0400349816. Consim Info is engaged in, *inter alia*, providing matchmaking services to the Indian diaspora in the US and other countries outside India (pursuant to a non-exclusive non-sub-licensable and non-assignable business license granted of the matchmaking brand name and domain names from by our Company in December 2015).

*Capital structure*

| Authorised |
|---|
| 1,500 equity shares of USD 1.00 each aggregating to 1,500 USD |
| **Issued, subscribed and paid up share capital** |
| 1,000 equity shares of USD 1.00 each aggregating to 1,000 USD |

*Shareholding pattern*

The shareholding pattern of Consim Info as on the date of this Draft Red Herring Prospectus is as follows:

| Name of shareholder | No. of equity shares | % of total equity holding |
|---|---|---|
| Matrimony.com Limited | 1,000 | 100.00 |
| **Total** | **1,000** | **100.00** |

Consim Info has not made any public or rights issue in the last three years and has not become a sick company as specified under SICA and is not under winding up proceedings.

There are no accumulated profits or losses of Consim Info not accounted for by our Company.

**Interest of the Subsidiaries in our Company**

For details of the transactions between our Company and the Subsidiaries, see the section titled "*Related Party Transactions*" on page 200.

The Subsidiaries do not have any business interest in our Company, except as disclosed in the sections titled "*Our Business*" and "*Related Party Transactions*" on pages 138 and 200.

**Sale of shares of our Subsidiaries**

Neither our Promoters, nor the members of our Promoter Group or our Directors or their relatives have sold or purchased securities of our Subsidiaries during the six months preceding the date of Draft Red Herring Prospectus.

**Significant Sale/Purchase between Subsidiaries and our Company**

Except as disclosed in the section "*Related Party Transactions"* on page 200, none of our Subsidiaries are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

**Common Pursuits**

There are no common pursuits between our Company and the Subsidiaries. However, certain of our Subsidiaries are engaged in lines of business that are similar and/or synergistic to our Company.

**Strategic and Financial Partnerships**

Our Company does not have any strategic or financial partners.

## OUR MANAGEMENT

As per the provisions of the Articles of Association, the Board shall comprise of not less than three and not more than fifteen Directors. We currently have eight Directors on the Board out of which there is one executive Director, one non-executive Director, three nominee Directors, and three non-executive independent Directors.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

<table>
<tr><th>Name, Designation, Address, Occupation, Nationality, Term and DIN</th><th>Age (in years)</th><th>Other Directorships/Partnerships/Proprietorship/HUFs</th></tr>
<tr><td>Chinni Krishnan Ranganathan<br><br>Designation: Non-executive Chairman and independent Director<br><br>Address: Plot no.58/5, Dr. Seshadri Avenue, Injambakkam, Chennai, Tamil Nadu, India 600115<br><br>Occupation: Business<br><br>Nationality: Indian<br><br>Term: For a period of 5 years with effect from January 27, 2015<br><br>DIN: 00550501<br><br>Date of appointment: October 17, 2014</td><td>57</td><td>Other directorships<br><br>• CavinKare Private Limited<br>• Chik India Investments Private Limited<br>• Kranes India Investments Private Limited<br>• Integra Software Services Private Limited<br>• Cavin Estates Private Limited<br>• Cavin Solai Private Limited<br>• TVS Logistics Services Limited<br><br>Partnerships<br>• Trend Pack<br><br>Firms and Trusts<br><br>• Chinni Krishnan Memorial Trust<br>• Sri Jayaram Educational Trust<br>• Annai Anjugam Charitable Trust<br>• Bala Brindavan - Society</td></tr>
<tr><td>Murugavel Janakiraman<br><br>Designation: Managing Director<br><br>Address: No.154, Meridian Heights, Door no.502, Peters Road, Royapettah, Chennai, Tamil Nadu, India 600014<br><br>Occupation: Business<br><br>Nationality: Indian<br><br>Term: 3 years with effect from July 1, 2015<br><br>DIN: 00605009<br><br>Date of appointment: September 5, 2001</td><td>46</td><td>Other directorships<br><br>• Community Matrimony Private Limited<br>• Sys India Private Limited<br>• India Property Online Private Limited<br>• Propfinder India Private Limited<br>• Tambulya Online Market Place Private Limited<br>• Matchify Services Private Limited<br>• Consim Info USA Inc,<br>• Infonauts Inc.</td></tr>
<tr><td>Deepa Murugavel<br><br>Designation: Non-executive Director<br><br>Address: No.154, Meridian Heights, Door no.502, Peters Road, Royapettah, Chennai, Tamil Nadu, India 600014<br><br>Occupation: Business<br><br>Nationality: Indian</td><td>39</td><td>Nil</td></tr>
</table>

| Name, Designation, Address, Occupation, Nationality, Term and DIN | Age (in years) | Other Directorships/Partnerships/Proprietorship/HUFs |
|---|---|---|
| Term: Liable to retire by rotation<br><br>DIN: 00725522<br><br>Date of appointment: March 26, 2006 | | |
| **Nikhil Nirvan Khattau**<br><br>Designation: Nominee non-executive Director<br><br>Address: 2 Residence, Le Sable Bleu, Butte a l'herbe, Calodyne, Mauritius<br><br>Occupation: Professional<br><br>Nationality: Indian<br><br>Term: Liable to retire by rotation<br><br>DIN: 00017880<br><br>Date of appointment: July 21, 2009 | 54 | *Other directorships*<br><br>• Marico Limited<br>• Securens Systems Private Limited<br>• Kaya Limited<br>• Mayfield India II Management, Ltd.<br>• Mayfield India II, Ltd.<br>• Mayfield Mauritius, Ltd.<br>• JoGuru Inc.<br>• Mayfield India I Management (UGP), Ltd.<br><br>*Firms and Trusts*<br><br>• Shri Balrajeshwar Temple Trust |
| **Vishal Vijay Gupta**<br><br>Designation: Nominee non-executive Director<br><br>Address: Flat #15 & 16, "D" – block, Binny Crescent Apartments, Nandidurga Road, Benson Town, Bangalore, Karnataka, India 560046<br><br>Occupation: Professional<br><br>Nationality: Indian<br><br>Term: Liable to retire by rotation<br><br>DIN: 01913013<br><br>Date of appointment: September 30, 2015 | 39 | *Other directorships*<br><br>• BVP India Investors Private Limited<br>• Bundl Technologies Private Limited<br>• Ind-Barath Power Infrastructure Limited<br>• Applied Solar Technologies (India) Private Limited<br>• Kiran Energy Solar Power Private Limited<br>• MediAssist Health Care Services Private Limited<br>• Anunta Technology Management Services Limited<br>• Hungama.com Private Limited<br>• Nephrocare Health Services Private Limited<br>• Supermarket Grocery Supplies Private Limited<br>• IIM Calcutta Innovation Park<br>• UrbanClap Technologies India Private Ltd.<br>• AST Telecom Solar Private Limited<br><br>*HUFs*<br><br>• Vijay Kumar Gupta HUF |
| **Avneet Singh Kochar**<br><br>Designation: Nominee non-executive Director<br><br>Address: 234 AWHO, Piru Puram Ambabari, Jaipur, Rajasthan, India 302012<br><br>Occupation: Professional<br><br>Nationality: Indian<br><br>Term: Liable to retire by rotation<br><br>DIN: 02415196<br><br>Date of appointment: April 16, 2015 | 41 | *Other directorships*<br><br>• Channi Hotels Private Limited<br>• Heritage Inn Private Limited<br>• India Property Online Private Limited<br>• MXC Solution India Private Limited<br>• Naaptol Online Shopping Private Limited.<br>• Near Pte Limited<br>• Happiest Minds Technologies Private Limited |

<table>
<tr><th>Name, Designation, Address, Occupation, Nationality, Term and DIN</th><th>Age (in years)</th><th>Other Directorships/Partnerships/Proprietorship/HUFs</th></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>George Zacharias<br><br>Designation: Non-executive independent Director<br><br>Address: 4C 301, 4th Cross, 3rd Main HRBR 3rd Block Kalyan Nagar, Bangalore, Karnataka, India 560043<br><br>Occupation: Professional<br><br>Nationality: Indian<br><br>Term: For a period of 5 years with effect from January 27, 2015<br><br>DIN: 00162570<br><br>Date of appointment: January 18, 2008</td><td>58</td><td>Nil</td></tr>
<tr><td>Milind Shripad Sarwate<br><br>Designation: Non-executive independent Director<br><br>Address: E-201/202, Sita Vihar, Near Damani Estate, L.B.S. Marg, Naupada, Thane, Maharashtra, India 400602<br><br>Occupation: Professional<br><br>Nationality: Indian<br><br>Term: For a period of 5 years with effect from January 27, 2015<br><br>DIN: 00109854<br><br>Date of appointment: November 26, 2014</td><td>57</td><td>Other directorships<br><br>• Eternis Fine Chemicals Limited<br>• International Paper APPM Limited<br>• Halite Personal Care India Private Limited (under liquidation)<br>• House of Anita Dongre Limited<br>• Glenmark Pharmaceuticals Limited<br>• Mindtree Limited<br>• Credit Analysis and Research Limited<br><br>Firms and Trusts<br><br>• Increate Value Advisors LLP<br>• Withya HR Fund LLC<br><br>HUFs<br><br>• Milind S Sarwate HUF<br>• Shripad G Sarwate HUF</td></tr>
</table>

**Relationship between the Directors**

Except for Deepa Murugavel, who is the wife of Murugavel Janakiraman, none of the Directors are related to each other.

**Brief Biographies**

**Chinni Krishnan Ranganathan**, aged 57 years, is a non-executive chairman and independent Director, appointed on October 17, 2014. He holds a bachelor's degree of science from Annamalai University. He is the founder of CavinKare Private Limited.

**Murugavel Janakiraman**, aged 46 years, is the Promoter and Managing Director of our Company. He has been associated with our Company since September 5, 2001. He holds a bachelor's degree of science in statistics and a master's degree in computer applications from the University of Madras. He was previously employed with Sharper

Logics Inc., Supra Data Systems and Real Soft. He has been awarded the 'Vocational Excellence' by the Rotary Club of Madras in 2014 and 'CII Connect' award by the Confederation of Indian Industry in 2011.

**Deepa Murugavel**, aged 39 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.

**Nikhil Nirvan Khattau**, aged 54 years, is a non-executive nominee Director of our Company representing Mayfield XII, Mauritius. He has served on our Company's Board since July 21, 2009. He holds a bachelor's degree in commerce from the University of Mumbai and is a member of the Institute of Chartered Accountants in England and Wales. Currently, he is a Director of Mayfield Mauritius, Ltd. (in addition to other Mayfield entities) and advises Mayfield, a 47 year old venture capital firm, on venture capital investments in India. Since 2008, he has served Mayfield entities in a directorial capacity. Currently, he also serves on the board of directors of JoGuru, Inc., Kaya Limited, Marico Limited, and Securens Systems Private Limited. His prior experience includes his role as founding CEO of SUN F&C Asset Management (I) Private Limited from 1995 to 2003. He also worked with Ernst & Young in U.K. and U.S.A. from 1986 to 1995.

**Vishal Vijay Gupta**, aged 39 years, is a nominee non-executive Director, representing Bessemer India Capital Holdings II Limited. He holds a bachelor's degree in commerce from Nagpur University and a post graduate diploma in management from the Indian Institute of Management, Calcutta. He is also an associate of the Institute of Chartered Accountants of India. He is currently a director of BVP India Investors Private Limited, an affiliate of Bessemer Venture Partners.

**Avneet Singh Kochar**, aged 41 years, is a nominee non-executive Director representing CMDB II. He holds a bachelor degree in commerce from Sri Ram College of Commerce, New Delhi and a master's degree in business administration from the College of William and Mary in Virginia. He is recognised as a chartered financial analyst by the CFA Institute. He is currently the regional adviser to JP Morgan Asset Management Private Equity Group. He has previously worked at AT&T Corp. and AT&T Investment Management Corporation.

**George Zacharias**, aged 58 years, is a non-executive independent Director of our Company. He holds a bachelor's degree of technology in chemical engineering from Nagpur University. He holds a post graduate diploma in business management from the Xavier Labour Relations Institute, Jamshedpur. He was associated with our Company as a nominee Director of Yahoo! Netherland B.V (formerly Overture Services Europe B.V) from April, 2006 to October, 2007. He was appointed as an independent Director of our Company on January 18, 2008. He was a co-founder and chief executive officer of Sevenstrata IT Services Private Limited and the senior vice president at Mindtree Limited.

**Milind Shripad Sarwate,** aged 57 years, is a non-executive independent Director of our Company. He holds a bachelor's degree in commerce from the University of Bombay and is an associate of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Costs and Works Accountants of India and participated in the Fulbright CII fellowship for leadership in management program at Carnegie Mellon Graduate School of Industrial Administration, Pittsburgh, U.S.A.

**Details of directorship in companies suspended or delisted from any stock exchange**

Except as stated below, none of our Directors is or was a director of any listed company during the last five years immediately preceding the date of this Draft Red Herring Prospectus and until date, whose shares have been or were suspended from being traded on BSE or NSE.

Nikhil Nirvan Khattau was a director of Marico Kaya Enterprises Limited, whose shares were suspended from being traded on the NSE and the BSE pursuant to a scheme of amalgamation and arrangement with Kaya Limited and their respective shareholders and creditors with effect from May 13, 2015. In this regard, the relevant details are as below:

- Name of the company: Marico Kaya Enterprises Limited
- Listed on: BSE and NSE

- Date of suspension on the Stock Exchanges: May 26, 2015
- Suspended more than three months: Yes/No : Not applicable If yes then provide reasons for suspension : Not applicable
- Whether suspension revoked: Yes/No : Not applicable If yes then date of revocation of suspension : Not applicable
- Term (along with relevant dates) of Director in the above company(ies): August 16, 2013 to May 13, 2015

Except as stated below, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange(s).

Nikhil Nirvan Khattau was a director of Marico Kaya Enterprises Limited, which was delisted from the NSE and the BSE pursuant to a scheme of amalgamation and arrangement with Kaya Limited and their respective shareholders and creditors with effect from May 13, 2015. In this regard, the relevant details are as below:

- Name of the company: Marico Kaya Enterprises Limited
- Listed on: BSE and NSE
- Date of delisting on the Stock Exchanges: September 2, 2015
- Compulsory or Voluntary Delisting: Voluntary
- Reasons for Delisting: Pursuant to a scheme of amalgamation and arrangement with Kaya Limited
- Whether Relisted: No
- Term (along with relevant dates) of Director in the above company(ies): August 16, 2013 to May 13, 2015

**Terms of appointment of the Directors**

Except as provided in our Articles of Association and otherwise disclosed in this section, there are no terms of appointment of our Directors.

**Payments or benefits to the Directors**

Except as disclosed in this Draft Red Herring Prospectus and the reimbursement of expenses incurred in their official capacity and entitlement under loan policy, no amount or benefit in kind has been paid or granted within the two preceding years or given to any of our Directors. Pursuant to a resolution of the Board dated November 26, 2014, the sitting fees payable to our Board of Directors is ₹ 100,000 for attending meetings of the Board and Committees. Provided below are details of sitting fees paid to our non-executive Directors for Fiscal 2017.

| Name of Director | Sitting fees paid in Fiscal 2017 (in ₹) |
|---|---|
| Milind Shripad Sarwate | 1,600,000 |
| George Zacharias | 1,400,000 |

**Executive Directors**

Pursuant to a shareholders' resolution dated June 25, 2015 and a resolution of the Nomination and Remuneration Committee dated June 25, 2015, Murugavel Janakiraman was appointed Managing Director of our Company for a period of three years with effect from July 1, 2015, and is entitled to a salary of ₹ 10 million per annum in the grade of ₹ 10 million to ₹ 15 million per annum with effect from April 1, 2015, with authority given to the Board or Nomination and Remuneration Committee, to fix the remuneration within the said maximum amount from time to time. Additionally, Murugavel Janakiraman is also entitled to a variable performance pay of upto 150% of the fixed salary per annum subject to the performance criteria laid down by the Board or Nomination and Remuneration Committee. In Fiscal 2017, Murugavel Janakiraman was paid a total remuneration of ₹ 13.31 million.

Murugavel Janakiraman is also entitled to, *inter alia*, the following perquisites:

1. Personal accident insurance in accordance with the policies of our Company;
2. Contribution to provident fund in accordance with the provident fund scheme as amended from time to time of our Company within the overall limit;

3. Gratuity not exceeding half month's salary for each completed year of service within the overall limit;
4. Use of Company car and driver within the overall remuneration fixed; and
5. Phone and communication facilities at residence at actual for the business of the Company.

**Non-Executive Directors**

Except as stated above, our Company does not pay any compensation or, sitting fees or, remuneration to our non-executive Directors.

The ESOP Scheme is applicable to our Directors, excluding any promoter Director or an employee who is a promoter or belongs to the promoter group, holding directly or indirectly more than 10% of the outstanding Equity Share capital of the Company. For details of Equity Shares allotted to our Directors, please see the section titled "*Our Management - Shareholding of Directors*" on page 181.

**Remuneration paid or payable from subsidiary and associate company**

No remuneration has been paid, or is payable, to our Directors by the Subsidiaries or associate companies of our Company during Fiscal 2017.

**Benefits upon termination**

Except as provided above and other applicable statutory benefits, there are no service contracts entered into with any of the Directors for provision of any other benefits or payments upon termination of employment.

**Bonus or profit sharing plan of the Directors**

There is no bonus or profit sharing plan for our Directors.

**Shareholding of Directors**

The shareholding of the Directors in our Company as of the date of this Draft Red Herring Prospectus is set forth below:

| Name of Director | Number of Equity Shares held |
|---|---|
| Murugavel Janakiraman* | 11,813,213 |
| Deepa Murugavel | 4,007 |
| George Zacharias | 44,676 |
| Milind Shripad Sarwate** | 5,324 |

**The total equity shareholding of Murugavel Janakiraman includes 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹3.00 each to equity shares of face value ₹5.00 each on August 5, 2015.*

***Held jointly with Madhumita Milind Sarwate*

As per the Articles of Association, our Directors are not required to hold any qualification shares.

**Shareholding in subsidiary and associate company**

The shareholding of the Directors in our Subsidiaries is set forth below:

***Murugavel Janakiraman***

*Subsidiaries*

| Name of the subsidiary | Number of equity shares | Percentage Shareholding (%) |
|---|---|---|
| Community Matrimony Private Limited | 1* | 0.00 |
| Sys India Private Limited | 100* | 0.10 |
| Matchify Services Private Limited | 1* | 0.01 |

| Name of the subsidiary | Number of equity shares | Percentage Shareholding (%) |
|---|---|---|
| Tambulya Online Marketplace Private Limited | 1* | 0.01 |

*Held as a nominee shareholder on behalf of our Company*

**Appointment of relatives of Directors to any office or place of profit**

Except Ravi Janakiraman who has been appointed as Senior Manager (Commercial) and is the brother of Murugavel Janakiraman and the brother-in-law of Deepa Murugavel, there are no relatives of our Directors who currently hold any office or place of profit in our Company and Subsidiaries.

**Borrowing powers of the Board**

In accordance with the Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. Pursuant to a resolution of the shareholders dated June 25, 2015, the Board is authorised to borrow up to an amount ₹ 1,000 million in excess of the paid up capital and free reserves of our Company and for creation of charge/ providing security for the sum borrowed on the assets of our Company.

**Corporate Governance**

The provisions of the SEBI Listing Regulations as well as provisions of the Companies Act, 2013, as applicable to listed companies, will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company is in compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations in respect of corporate governance including constitution of the board of directors and committees thereof.

**Committees of the Board**

***Audit Committee***

The Audit Committee was constituted by a meeting of the Board of Directors held on August 1, 2008, and last reconstituted on April 16, 2015. The members of the Audit Committee are:

1. Milind Shripad Sarwate, non-executive independent Director; (Chairman)
2. George Zacharias, non-executive independent Director;
3. Nikhil Nirvan Khattau, non-executive nominee Director; and
4. Chinni Krishnan Ranganathan, non-executive Chairman and independent Director

*Scope and terms of reference:* The Audit Committee would perform the following functions with regard to accounts and financial management:

Role of the Audit Committee:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

    - Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;

- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial control and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors regarding any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review of the functioning of the Whistle Blower mechanism and all redressal mechanisms and forums required under the Companies Act 2013;
19. Approval of appointment of CFO (i.e the whole time Finance Director or any other person heading the finance section or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Review of information:

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial conditions and results of operations,
2. Statement of significant related party transactions submitted by management;
3. Management letter/letters of internal control weakness issued by the statutory auditors,
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

***Nomination and Remuneration Committee***

The Compensation committee was constituted by a meeting of the Board of Directors held on January 18, 2008, and last reconstituted on April 16, 2015. The members of the Compensation Committee are:

1. Milind Shripad Sarwate, non-executive independent Director; (Chairman)
2. Nikhil Nirvan Khattau, non-executive nominee Director;
3. George Zacharias, non-executive independent Director; and

4. Avneet Singh Kochar, non-executive nominee Director.

*Scope and terms of reference:* The Compensation Committee is responsible, among other things, for:

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 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.

***Stakeholders Relationship Committee***

The Stakeholders Relationship Committee was constituted by a meeting of the Board of Directors held on February 4, 2015. The members of the Stakeholders Relationship Committee are:

1. Nikhil Nirvan Khattau, non-executive nominee Director; (Chairman)
2. Murugavel Janakiraman, Managing Director; and
3. Milind Shripad Sarwate, non-executive independent Director

*Scope and terms of reference:* The terms of reference of the Stakeholders Relationship Committee are as follows:

1. Investor relations and redressal of shareholders' grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet, share certificate etc.;
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee; and
3. To approve request received for transfer, transmission, demat etc. of securities of the Company.

***Risk and Governance Committee***

The Risk and Governance Committee was reconstituted by a meeting of the Board of Directors held on September 12, 2016. The members of the Risk and Governance Committee are:

1. George Zacharias, non-executive independent Director (Chairman)
2. Milind Shripad Sarwate, non-executive independent Director;
3. Nikhil Nirvan Khattau, non-executive nominee Director;
4. Avneet Singh Kochar non-executive nominee Director; and
5. Murugavel Janakiraman, Managing Director

Additionally, the following are also members of the Risk and Governance Committee:

1. Sanjeev Misra, Senior Vice President;
2. S. Saichithra, Chief Portal and Mobile Officer; and
3. K Balasubramanian, Chief Financial Officer

*Scope and terms of reference:* The Risk and Governance Committee is responsible, amongst other things, for:

1. 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;
2. 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;
3. 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;
4. 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);
5. To discuss with the risk officers all risk-related guidelines, policies and processes;
6. To receive and review periodic reports from management on the metrics used to measure, monitor and manage risks, including management's views on acceptable and appropriate levels of exposures;
7. To receive reports from the Company's Internal Auditors and Statutory Auditors on the results of risk management reviews and assessments;
8. To review the status of regulatory reviews relating to the Company;
9. To review periodic reports on selected risk topics as the Risk and Governance Committee deems appropriate;
10. To review the independence, authority, and effectiveness of the risk management function, including staffing level and staff qualifications; and
11. To discharge any other duties or responsibilities delegated to the Risk and Governance Committee by the Board.

***IPO Committee***

The IPO Committee was constituted by a meeting of the Board of Directors held on October 17, 2014, and last reconstituted on April 16, 2015. The members of the IPO Committee are:

1. Nikhil Nirvan Khattau, non-executive nominee Director; (Chairman)
2. Murugavel Janakiraman, Managing Director;
3. George Zacharias, non-executive independent Director
4. Milind Shripad Sarwate, non-executive independent Director;
5. Avneet Singh Kochar, non-executive nominee Director
6. Vishal Vijay Gupta, non-executive nominee Director

*Scope and terms of reference:* The IPO Committee is responsible for:

1. Evaluating the viability of the Offer *vis-a-vis* market conditions, investors interest and recommend to the Board on the timing of the proposed Offer, the number of equity shares that may be offered under the Offer, the objects of the Offer, allocation of the equity shares to a specific category of persons and the estimated expenses on the Offer as a percentage of Offer Size.
2. Identify, appoint and enter into necessary agreements/arrangements with the book running lead managers, underwriters, syndicate members, brokers/sub-brokers, bankers, escrow collection bankers, registrars, legal advisors, placement agents, depositories, trustees, custodians, advertising agencies, monitoring agency, stabilization agent and all such persons or agencies as may be involved in or concerned with and to negotiate and finalize the terms of their appointment, including mandate letter, finalization and execution of the memorandum of understandings, etc.
3. Finalizing remuneration of all such intermediaries, advisors, agencies and persons as may be involved in or concerned with the Offer, if any, by way of commission, brokerage, fees or the like and opening bank accounts, share/securities accounts, escrow or custodian accounts in India or abroad.
4. Guiding the intermediaries in the preparation and finalization of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and the preliminary and final international wrap and approving the same including any amendments, supplements, notices to corrigenda thereto, together with any summaries thereto.
5. Finalizing and arranging for the submission of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to the SEBI, the Stock Exchanges, the Registrar of Companies and other appropriate Government and regulatory authorities, institutions or bodies.
6. Making applications for the listing of shares in one or more of the stock exchange(s) for the listing of equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the stock exchange(s) concerned.
7. Seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned Government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer, if any.
8. Determining and finalizing the price band for the Offer, any revision to the price band and the final Offer Price, after bid closure, determining the bid opening and closing dates and determining the price at which the equity shares are offered or issued/allotted to investors in the Offer.
9. Making applications to the FIPB, the RBI and such other authorities as may be required for the purpose of allotment of shares to NRIs.
10. Opening with the Bankers to an issue such accounts are required by the regulations issued by SEBI.
11. To carry out all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalize the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules.
12. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.

***Share Allotment Committee***

The Share Allotment Committee was constituted by a meeting of the Board of Directors held on April 12, 2016. The members of the Share Allotment Committee are:

1. Murugavel Janakiraman, Managing Director; (Chairman)
2. Milind Shripad Sarwate, non-executive independent Director; and
3. Chinni Krishnan Ranganathan, non-executive Chairman and independent Director.

*Scope and terms of reference:* The Share Allotment Committee is responsible for:

1. To exercise powers on behalf of the Board to look after the 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.
2. To make call on securities.
3. To invite and accept further subscription money on securities.

4. To issue share certificates, if required/ receipts.
5. To redeem/ convert securities and to do all such acts, deeds and things as may be considered necessary and incidental thereto.

***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was constituted by a meeting of the Board of Directors held on April 29, 2017. The members of the Corporate Social Responsibility Committee are:

1. Murugavel Janakiraman, Managing Director; (Chairman);
2. Chinni Krishnan Ranganathan, non-executive Chairman and independent Director; and
3. Deepa Murugavel, non-executive Director.

*Scope and terms of reference:* The Corporate Social Responsibility Committee is responsible for:

1. To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013.
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
3. To monitor the corporate social responsibility policy of the Company from time to time.
4. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after the approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**Interest of Directors**

Our Directors may be deemed to be interested to the extent of any fees and remuneration payable to them by our Company as well as to the extent of any reimbursement of expenses payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "*Payments or benefits to the Directors*" above. Further, our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership in which they are partners. Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or their relatives or by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or that may be allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees pursuant to the Offer. Except as stated in the section titled "*Our Management – Shareholding of Directors*" on page 181, our Directors do not hold any Equity Shares. Murugavel Janakiraman is also interested to the extent of being the Promoter of our Company. For details of the nature of his interest as a Promoter, and amounts or benefits paid to him, see the section titled "*Our Promoter and Promoter Group– Interest of Promoter*" on page 194.

Our Directors have no interest in any property acquired by our Company within the preceding two years from the date of this Draft Red Herring Prospectus. Further, the Directors are not interested in any transaction with our Company in relation to acquisition of land, construction of building and supply of machinery.

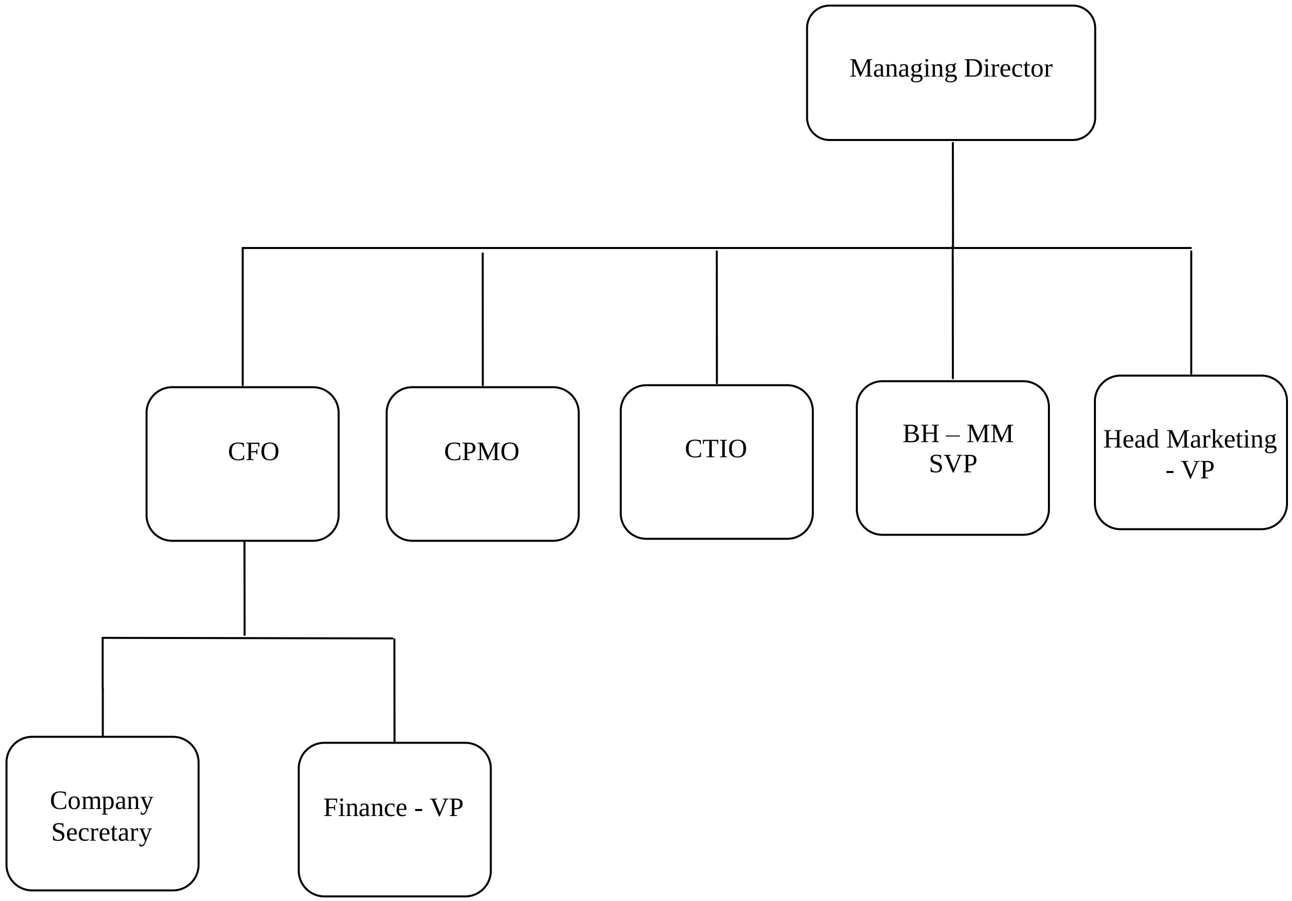
Except for our nominee Directors, namely, Avneet Singh Kochar, Nikhil Nirvan Khattau and Vishal Vijay Gupta, nominated pursuant to the terms of the Shareholders' Agreement, as subsequently amended by amendment agreements dated August 9, 2016 and April 28, 2017 , the CMDB II Deed of Adherence and the Deed of Adherence, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which the Directors or the key managerial personnel were selected as director, key managerial personnel or member of senior management. Further, our Company has entered into an indemnity agreement dated July 18, 2016, with our Director, Nikhil Nirvan Khattau indemnifying him to serve as a Director to the extent permitted by applicable law and our Memorandum of Association and Articles of Association from proceedings, losses or expenses in relation to any actual or alleged action taken or attempted against Nikhil Nirvan Khattau in his capacity as, or otherwise by reason of or, arising out of being a Director of our Company or its Subsidiaries or serving at the request of our Company or its Subsidiaries as a director, officer, employee or agent of another enterprise (whether or not he was serving in such capacity at the time of any liability).

Except as stated in the section titled "*Related Party Transactions*" on page 200, our Directors do not have any other interest in the business of our Company.

**Changes in the Board of Directors in the last three years**

| Name | Appointment/Cessation | Date of Change | Reason |
|---|---|---|---|
| Subramanya Venkat Sumukh | Cessation | October 10, 2014 | Resignation |
| Kilaiyur Chandrasekhar | Cessation | October 16, 2014 | Resignation |
| Vishal Vijay Gupta | Appointment | October 17, 2014 | Appointed as Director |
| Chinni Krishnan Ranganathan | Appointment | October 17, 2014 | Appointed as Director |
| Milind Shripad Sarwate | Appointment | November 26, 2014 | Appointed as Director |
| Alok Mittal | Cessation | March 24, 2015 | Resignation |
| Avneet Singh Kochar | Appointment | April 16, 2015 | Appointment as Director |

**Management Organization Chart**




CFO – Chief Financial Officer
CPMO – Chief Portal and Mobile Officer
CTIO – Chief Technology Operation and Infrastructure Officer
BH – Business Head

MM – Match Making
SVP – Senior Vice President
VP – Vice President

**Key Managerial Personnel and Senior Management Personnel**

Our key managerial personnel, as defined under Section 2(51) of the Companies Act, 2013, consist of:

1. Murugavel Janakiraman, Managing Director;
2. K Balasubramanian, Chief Financial Officer; and
3. S. Vijayanand, Associate General Manager, Company Secretary and Compliance Officer

In addition to the persons mentioned above, our key managerial personnel, the Senior Managerial Personnel of our Company consist of:

1. S. Saichithra, Chief Portal and Mobile Officer;
2. R. Chandrasekar, Chief Technology Operation and Infrastructure Officer;
3. Sanjeev Misra, Senior Vice President;
4. Vaasen V., Vice President of Finance;
5. Kaushik Tiwari, Vice President of Marketing and Communication;

**Brief Biographies of our Key Managerial Personnel and our Senior Management Personnel**

**K Balasubramanian,** aged 62 years, is our Chief Financial Officer. He has a bachelor's degree in science from Loyola College, Chennai. He is a member of the Institute of Chartered Accountants of India. He has been associated with our Company since August 22, 2016 and is responsible for finance, accounts and legal compliances. Prior to joining our Company, he has been employed with Tube Investments of India Limited as the chief financial officer, and Price Waterhouse Management Consultants. He is a permanent employee of our Company. He was paid a remuneration of ₹ 5.26 million in fiscal 2017.

**S. Vijayanand**, aged 37 years, is our Associate General Manager - Company Secretary and Compliance Officer. He is an associate of the Institute of Company Secretaries of India and holds a bachelor's degree in commerce from the University of Madras and a master's degree in business administration from Madurai Kamaraj University, Madurai. He has over 10 years of experience as a company secretary and compliance officer. He has been associated with our Company since January 18, 2013 and is responsible for secretarial functions of the Company. Prior to joining our Company, he was employed with National Stock Exchange of India Limited, Everonn Education Limited and India Motor Parts and Accessories Limited. He is a permanent employee of our Company. He was paid a remuneration of ₹ 1.62 million in fiscal 2017.

**S. Saichithra**, aged 40 years, is our Chief Portal and Mobile Officer. She holds a bachelor's degree in computer science and master's degree in computer applications from Bharathidasan University. She has over 14 years of experience in the field of product development and technology. She has been associated with our Company since July 7, 2000, and is responsible for projects and technical department of our Company. She is a permanent employee of our Company. She was paid a remuneration of ₹ 6.99 million in fiscal 2017.

**R. Chandrasekar**, aged 48 years, is our Chief Technology Operation and Infrastructure Officer. He holds a bachelor's degree in science and master's degree in computer application from Bharathidasan University. He has been associated with our Company since December 8, 2006, and is responsible for the system administration department and information technology services of our Company. He is a permanent employee of our Company. He was paid a remuneration of ₹ 7.36 million in fiscal 2017.

**Sanjeev Misra**, aged 45 years, is our Senior Vice President. He has received a bachelor's degree of technology in mining engineering from the Indian School of Mines, Dhanbad. He has received a post graduate diploma in management from the Management Development Institute, Gurgaon. He has been associated with our Company since May 5, 2014 and is responsible for sales and operations of the matchmaking business of our Company. Prior to joining our Company, he was employed with Scope International Limited, Tata Consultancy Services Limited and Secova eServices Limited, He is a permanent employee of our Company. He was paid a remuneration of ₹ 7.26 million in fiscal 2017.

**Vaasen V.**, aged 48 years, is our Vice President of Finance. He is a fellow member of the Institute of Chartered Accountants of India. He holds a bachelor's degree in commerce from the Madurai Kamraj University, Madurai and has completed the post graduate diploma course in financial management from Annamalai University, Annamalainagar. He has been associated with our Company since March 1, 2013 and is responsible for the accounting and treasury functions of our Company. Prior to joining our Company, he was employed with

Reliance BPO Private Limited as Centre – Head Chennai, Singer India Limited, Spencer and Company Limited and National Oxygen Limited He is a permanent employee of our Company. He was paid a remuneration of ₹ 3.15 million in fiscal 2017.

**Kaushik Tiwari**, aged 51 years, is our Vice President of Marketing and Communication. He holds a bachelor's degree in engineering from Shivaji University, Kolhapur and a master's degree in marketing management from University of Mumbai. He has been associated with our Company since February 15, 2012, and is responsible for advertising, brand strategy, media planning, public relations, coordination with media buying agencies, anchor corporate events and product launches. Prior to joining our Company, he was employed with Fresh Lime Communication Private Limited as a director, MARG Constructions Limited as chief executive officer, Publicis Ambience Advertising Private Limited, R K Swamy BBDO Advertising Private Limited and Zen Communications Private Limited. He is a permanent employee of our Company. He was paid a remuneration of ₹ 5.24 million in fiscal 2017.

For a brief profile of Murugavel Janakiraman, our Managing Director, see the sub-section titled "*Our Management – Brief Biographies of the Directors*" on page 178.

### Relationships among Key Managerial Personnel and Senior Management Personnel

None of our key managerial personnel and senior management personnel are related to each other.

### Service Contracts

Other than the statutory benefits in forms of gratuity, encashment of available annual leave, medical benefit and one month's gross, our Company has not entered into any service contract with any of the key managerial personnel for provision of benefits or payments of any amount upon termination of employment.

### Shareholding of key managerial personnel

Except as disclosed below none of our key managerial personnel and senior management personnel hold any Equity Shares.

| Name of the KMP | Designation | Number of Equity Shares |
|---|---|---|
| Murugavel Janakiraman* | Managing Director | 11,813,213 |
| Sanjeev Misra | Senior Vice President | 4,313 |
| S. Vijayanand | Company Secretary and Compliance Officer | 1,440 |
| Kaushik Tiwari | Vice President of Marketing and Communication | 1,800 |
| R. Chandrasekar | Chief Technology Operation and Infrastructure Officer | 8,626 |
| S. Saichithra | Chief Portal and Mobile Officer | 10,000 |

**The total equity shareholding of Murugavel Janakiraman includes 12 Equity Shares held by him on behalf of the equity shareholders entitled to fractional Equity Shares pursuant to consolidation of equity shares of face value ₹3.00 each to equity shares of face value ₹ 5.00 each on August 5, 2015.*

### Bonus or profit sharing plan of the key managerial personnel

There is no bonus or profit sharing plan for our key managerial personnel.

### Interests of key managerial personnel

Other than as disclosed in "*Our Management - Interest of Directors*" on page 187, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Our key managerial personnel may also be regarded as interested in the Equity Shares as stated in the section titled "*Capital Structure*" on page 85 or stock options held by them as provided below:

| Name of the KMP | Designation | Number of ESOPs |
|---|---|---|
| S. Vijayanand | Company Secretary and Compliance Officer | 960 |
| S. Saichithra | Chief Portal and Mobile Officer | 181,697 |
| R. Chandrasekar | Chief Technology Operation and Infrastructure Officer | 5,751 |

| Name of the KMP | Designation | Number of ESOPs |
|---|---|---|
| Sanjeev Misra | Senior Vice President | 10,064 |
| Vaasen V | Vice President of Finance | 3,600 |
| Kaushik Tiwari | Vice President of Marketing and Communication | 4,200 |

**Changes in the key managerial personnel and senior management personnel**

For details of changes in our Directors for the last three years, see the sub-section titled "*Changes in the Board of Directors in the last three years*" on page 188.

Changes in our key managerial personnel and senior management personnel (other than our Executive Director) in the last three years are as follows:

| Name | Date of change | Reason |
|---|---|---|
| Sanjeev Misra | May 5, 2014 | Appointed as Vice President – Assisted Matrimony |
| Sangeeta Malkhede | March 9, 2015 | Appointed as Associate Vice President of Human Resources |
| Venkateshwarlu Sonathi | January 17, 2016 | Appointed as Vice President of Data Sciences |
| Jayaram K Iyer | June 22, 2016 | Resigned |
| S. Parameshwar | August 12, 2016 | Resigned |
| K Balasubramanian | August 22, 2016 | Appointed as Chief Financial Officer |
| Sunitha Lal | August 31, 2016 | Resigned |
| Venkateshwarlu Sonathi | January 31, 2017 | Resigned |
| Sangeeta Malkhede | April 15, 2017 | Resigned |

**Employee Stock Option Scheme**

For details of scheme of employee stock options in our Company, see section titled "*Capital Structure-Employee stock option scheme"* on page 92.

**Payment or Benefit to officers of our Company**

Except for:

a. expenses incurred by our Company in fiscals 2013 to 2016 in defending the litigation against all defendants (including our Promoter and Managing Director) in the Rajan Desai et al. v. Infonauts et al. litigation, as well as in respect of the proceedings initiated by our Company and our Promoter against the US Plaintiffs before the Madras High Court. For further details, see section titled " *Management's Discussion and Analysis of Financial Condition and Results of Operations of Our Company – Litigation Expenses and Settlement Cost*" on page 343;

b. the corporate guarantee executed by our Company on behalf of all the defendants to the Rajan Desai et al. v. Infonauts et al. litigation (including our Promoter) guaranteeing the Settlement Payments under the Settlement Agreement, as disclosed in "*History and Certain Corporate Matters – Material Agreements – Other Agreements*" on page 170; and

c. remuneration, perquisites and allowances and stock options under the ESOP Scheme;

no amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated in the section titled "*Related Party Transactions*" beginning on page 200, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoter.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoter

Murugavel Janakiraman is the Promoter of our Company.

For details of the build-up of our Promoter's shareholding in our Company, see section titled "*Capital Structure – Notes to Capital Structure*" on page 86.

The details of our Promoter are as follows:

**Murugavel Janakiraman**

| Identification Particulars | Details |
|---|---|
| Voter ID number | TIK0841114 |
| Driving License number | F/TN/07X/023762/2006 |
| Passport number | Z1766815 |

Murugavel Janakiraman**,** aged 46 years, is on our Board and is also the managing director of our Company. For a complete profile of Murugavel Janakiraman i.e. his residential address, educational qualification, professional experience, positions/posts held in the past and other directorships and special achievements, see section titled "*Our Management*" beginning on page 176.

### Other Undertakings and Confirmations

Our Company confirms that the details of the PAN, passport number and the bank account number of Murugavel Janakiraman will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

There are no violations of securities laws committed by our Promoter, any member of our Promoter Group or any Group Company, in the past or which are currently pending against them and our Promoter, Promoter Group and Group Company have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority nor have they been declared as Wilful Defaulters.

Our Promoter is not interested in any entity which holds any intellectual property rights that are used by our Company.

Further, our Promoter was or is not a promoter or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

### Outstanding Litigation

Except as disclosed in the section "*Outstanding Litigation and Material Developments- Litigation involving our Promoter*" on page 371, there is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoter.

### Disassociation by the Promoter in the last three years

Except as stated below, our Promoter has not disassociated with any venture during the three years preceding the date of filing of this Draft Red Herring Prospectus:

| Name of the company | Date of disassociation | Reason for disassociation |
|---|---|---|
| India Property Online Holding Limited | December 30, 2013 | Dissolution of company |
| MatrimonyGifts Wholesale India Private Limited | December 29, 2014 | Discontinuation of operations of the company. |

| Name of the company | Date of disassociation | Reason for disassociation |
|---|---|---|
| Consim Direct Holdings Cyprus Limited | December 29, 2014 | Dissolution of company |
| BharatMatrimony LLC | April 25, 2016 | Dissolution of company |

**Experience of the Promoter in the business of our Company**

Our Promoter has an experience of over 19 years, in the business of our Company. Our Promoter is assisted by a qualified and experienced team to manage the operations of our Company. For details in relation to the qualification and experience of our Promoter, see section titled "*Our Management*" on page 176.

**Common Pursuits of our Promoter**

Our Promoter, Murugavel Janakiraman is on the board of directors of India Property Online Private Limited, a company forming part of our Group Companies. None of the Group Companies are in the same line of business as that of our Company.

***Interest of Promoter***

**Interest of Promoter in the promotion of our Company**

Our Company is promoted by Murugavel Janakiraman. Our Promoter is interested in our Company as mentioned above under "*Our Promoter and Promoter Group – Common Pursuits of our Promoter*" and to the extent of his shareholding and managing directorship (including remuneration and perquisites) in our Company and the dividend declared, if any, by our Company.

**Interest of Promoter in the property of our Company**

Our Promoter does not have any interest in any property acquired by our Company within the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus. Further, our Promoter does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

**Payment of amounts or benefits to our Promoter or Promoter Group during the last two years**

Except for:

a. transactions with Murugavel Janakiraman and Ravi Janakiraman as stated in the section titled "*Related Party Transactions*" on page 200;
b. remuneration paid to Murugavel Janakiraman as a Director of our Company and to Ravi Janakiraman as an employee of our Company;
c. expenses incurred by our Company in fiscals 2013 to 2016 in defending the litigation against all defendants (including our Promoter) in the Rajan Desai et al. v. Infonauts et al. litigation, as well as in respect of the proceedings initiated by the Company and our Promoter against the US Plaintiffs before the Madras High Court;
d. the irrevocable corporate guarantee executed by our Company on behalf of Consim USA in favour of Rajan Desai guaranteeing the Settlement Payments under the Settlement Agreement, as disclosed in "*History and Certain Corporate Matters – Material Agreements – Other Agreements*" on page 170; and
e. to the extent of the shareholding of the Promoter and the members of the Promoter Group in our Company and the dividend declared, if any;

no amount or benefit has been paid by our Company to our Promoter or the members of our Promoter Group in the last two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to our Promoter or members of our Promoter Group.

**Interest of Promoter in our Company other than as Promoter**

Other than as a promoter, our Promoter is interested in our Company to the extent of the dividend declared, if any, by our Company. Our Promoter may also be interested to the extent of Equity Shares held by Indrani Janakiraman, his mother, Deepa Murugavel, his wife and Ravi Janakiraman, his brother.

Except as mentioned in this section and sections titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management"* and "*Related Party Transactions*" on pages 138, 162, 176 and 200, respectively, our Promoter does not have any other interest in our Company.

**Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus see section titled "*Capital Structure – Notes to Capital Structure*" on page 86.

**Other confirmations**

Except as stated in the section titled "*Our Promoter and Promoter Group – Payment of amounts or benefits to our Promoter or Promoter Group during the last two years*" on page 194. Our Company has neither made any payments in cash or otherwise to the Promoter or to firms or companies in which our Promoter is interested as a member, director or promoter nor has our Promoter been offered any inducements to become a director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company, and as stated in the section "*Related Party Transactions*" on page 200.

**Promoter Group**

In addition to our Promoter named above, the following natural persons and companies form part of our Promoter Group.

**(a) Natural Persons**

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoter), apart from our individual Promoter, are as follows:

| S. No. | Name | Relation with Promoter |
|---|---|---|
| 1. | Deepa Murugavel | Wife of Murugavel Janakiraman |
| 2. | Arjun Murugavel | Son of Murugavel Janakiraman |
| 3. | Anisha Murugavel | Daughter of Murugavel Janakiraman |
| 4. | Indrani Janakiraman | Mother of Murugavel Janakiraman |
| 5. | Ravi Janakiraman | Brother of Murugavel Janakiraman |
| 6. | S. Janakiraman | Father of Deepa Murugavel |
| 7. | Indradevi Janakiraman Naicker | Mother of Deepa Murugavel |
| 8. | Rama Shanmugam | Sister of Deepa Murugavel |

**(b) Promoter Group Entities**

In addition to our Subsidiaries, the companies, HUFs and partnership firms that form part of our Promoter Group are as follows:

| S. No. | Name of Promoter Group entity |
|---|---|
| 1. | Propfinder India Private Limited |
| 2. | B.M. Marriage Services Private Limited (Dormant) |
| 3. | Netmatch Info Private Limited (Dormant) |
| 4. | Consim Direct Mauritius Limited |
| 5. | Infonauts Inc, USA |
| 6. | India Property Online Private Limited |

## OUR GROUP COMPANIES

For the purpose of identification of 'group companies', pursuant to the SEBI ICDR Regulations, our Company has considered (i) companies covered under applicable accounting standards (*i.e.*, Accounting Standard 18 issued by the Institute of Chartered Accountants of India) ("**AS 18**") as per the Restated Financial Statements; and (ii) other companies as considered material by our Board.

Pursuant to a resolution of our Board dated April 21, 2017 for the purpose of (ii) above, a company shall be considered material if such company:

(i) is a member of the Promoter Group and has entered into one or more transactions with the Company in the most recent audited fiscal year (i.e. Fiscal Year 2017) which, individually or in the aggregate, exceed 10% of the Company's total revenues as per the Restated Consolidated Summary Statements for such fiscal year; and/ or

(ii) companies which, subsequent to the date of the last audited consolidated financial statements of the Company, would require disclosure in the consolidated financial statements of the Company for subsequent periods as entities covered under AS 18 in addition to/ other than those companies covered under AS 18 in the restated consolidated financial statements of the Company included in this Draft Red Herring Prospectus.

For avoidance of doubt, it is clarified that the following companies shall not be considered as 'Group Companies':

(i) direct or indirect subsidiaries of the Company;

(ii) financial investors of the Company (including CMDB II and Mayfield XII, Mauritius), or companies related to such financial investors (irrespective of whether such companies are disclosed as entities covered under AS 18 in the restated financial statements included in the Offer Documents); and

(iii) companies which, subsequent to the date of the last audited consolidated financial statements included in this Draft Red Herring Prospectus, have ceased to be related parties of the Company in terms of AS 18 solely on account of there being no significant influence/ control over such company in terms of AS 18 (as confirmed by the Board in a resolution).

Based on the above, our Group Companies are as follows:

1. India Property Online Private Limited; and
2. Infonauts Inc.

No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

The details of our Group Companies are as follows:

### ***1. India Property Online Private Limited***

India Property Online Private Limited ("**India Property**") was incorporated on March 29, 2012 under the Companies Act, 1956. Its CIN is U74999TN2012PTC085210. The registered office of India Property is situated at 6th Floor, TVH Beliciaa Towers, Tower II MRC Nagar, Mandaveli, Chennai – 600028.

India Property is carrying on the business of, *inter alia*, property marketing and advisory services.

*Shareholding Pattern*

The shareholding pattern of India Property, based on its issued capital, as of the date of this Draft Red Herring Prospectus is as follows:

| S. No. | Name of shareholder | No. of equity shares of ₹ 1.00 | Percentage of equity capital | No. of preference shares of ₹ 5.00 | Percentage of preference capital |
|---|---|---|---|---|---|
| 1. | Murugavel Janakiraman | 2,223,114 | 52.52 | 89,651 | 0.80 |
| 2. | Indrani Janakiraman | 16,677 | 0.39 | - | - |
| 3. | CMDB II | 1,015,367 | 23.99 | 2,046,403 | 18.75 |
| 4. | Mayfield XII, Mauritius | 508,888 | 12.02 | 3,132,576 | 27.80 |
| 5. | Bessemer India Capital Holdings II Ltd | 294,144 | 6.95 | - | - |
| 6. | Draper Investment Company LLC | 19,018 | 0.45 | - | - |
| 7. | The Hartenbaum Revocable Trust U/A/D 02/03/06 | 4,759 | 0.11 | - | - |
| 8. | Bertelsmann Nederland B.V | 150,630 | 3.56 | 5,999,582 | 53.24 |
| | **Total** | **4,232,597** | **100.00** | **11,268,212** | **100.00** |

*Board of Directors*

The board of directors of India Property comprises the following persons:

1. Murugavel Janakiraman;
2. Avneet Singh Kochar;
3. Pankaj Makkar; and
4. T Ganesh Vasudevan.

*Financial Performance*

The financial results derived from the audited financial statement of India Property for the fiscals 2014, 2015 and 2016 are set forth below:

*(in ₹, unless otherwise stated)*

| Particulars | Fiscal 2014 | Fiscal 2015 | Fiscal 2016 |
|---|---|---|---|
| Sales and other income | 364,307,168 | 484,029,559 | 404,443,481 |
| Profit after tax (₹) | (287,004,172) | (479,457,131) | (415,973,632) |
| Equity capital (par value ₹ 1.00 per share) | 4,232,597 | 4,232,597 | 4,232,597 |
| Reserves and Surplus (excluding revaluation reserves) | 555,687,804 | 76,230,673 | 76,486,548 |
| Earnings/ (Loss) per share (basic) (₹) | (67.81) | (113.27) | (98.28) |
| Earnings/ (Loss) per share (diluted) (₹) | (67.81) | (113.27) | (98.28) |
| Book value per equity share (₹) | 132.29 | 19.01 | 19.07 |

*Significant Notes of auditors for the last three fiscals*

There are no significant notes of auditors in respect of the financial results of India Property for the aforementioned fiscals.

### *2. Infonauts Inc.*

Infonauts Inc. ("**Infonauts**") was incorporated on March 22, 2000 under the laws of the United States of America. The Company number is 0100811275. The registered office of Infonauts is situated at 220 Davidson Ave, Suite 315, Somerset, New Jersey 08873.

Infonauts was incorporated and owned by our Promoter till June 2006. Infonauts was a subsidiary of our Company from June 2006 till March 2013. Infonauts was reacquired by our Promoter in March 2013 and is currently carrying on the business of providing, *inter alia*, administrative support to the overseas business of Murugavel Janakiraman.

*Shareholding Pattern*

The shareholding pattern of Infonauts as of the date of this Draft Red Herring Prospectus is as follows:

| S. No. | Name of shareholder | No. of equity shares of USD 1.00 | Percentage of issued capital (%) |
|---|---|---|---|

| S. No. | Name of shareholder | No. of equity shares of USD 1.00 | Percentage of issued capital (%) |
|---|---|---|---|
| 1. | Murugavel Janakiraman | 1,000 | 100 |
| | **Total** | **1,000** | **100** |

*Board of Directors*

Murugavel Janakiraman is the only director on the board of directors of Infonauts.

*Financial Performance*

The financial results derived from the audited financial statement of Infonauts for the fiscals 2014, 2015 and 2016 are set forth below:

*(in ₹, unless otherwise stated)*

| Particulars | Fiscal 2014 | Fiscal 2015 | Fiscal 2016 |
|---|---|---|---|
| Sales and other income (₹) | 2,919 | 53,058 | 62,883 |
| Profit after tax (₹) | (162,054) | (133,375) | 46,954 |
| Equity capital (par value 1 USD per share) | 43,540 | 43,540 | 43,540 |
| Reserves and Surplus (excluding revaluation reserves) | 1,166,046 | 1,032,670 | 1,079,624 |
| Earnings/ (Loss) per share (basic) (₹) | (162.05) | (133.38) | 46.95 |
| Earnings/ (Loss) per share (diluted) (₹) | (162.05) | (133.38) | 46.95 |
| Book value per equity share | 1,209.59 | 1,076.21 | 1,123.16 |

*Significant Notes of auditors for the last three fiscals*

There are no significant notes of auditors in respect of the financial results of Infonauts for the aforementioned fiscals.

**Defunct Group Companies**

There are no Group Companies, which had remained defunct or for which an application was made to the registrar of companies for striking off its name, during the five years preceding the date of this Draft Red Herring Prospectus.

**Other Confirmations**

None of our Group Companies have been become sick companies under the meaning of the SICA or are under winding up. Our Group Companies, India Property in Fiscal 2014, Fiscal 2015 and Fiscal 2016 and Infonauts in Fiscal 2014 and Fiscal 2015 have incurred losses. For further details, see section titled "*Our Group Companies - India Property Online Private Limited" and "Our Group Companies - Infonauts Inc"* on pages 196 and 197, respectively. There are no other adverse factors related to our Group Companies in relation to losses incurred by them in the immediately preceding three years prior to the date of this Draft Red Herring Prospectus.

**Interest of our Promoter in our Group Companies**

Except to the extent of his shareholding and directorship, as detailed above, our Promoter has no other interest in our Group Companies.

**Outstanding Litigation**

For details regarding the outstanding litigation against our Promoter and Group Companies, see "*Outstanding Litigation and Material Developments*" on page 362.

**Group Companies with negative net worth**

None of our Group Companies has had negative net worth in fiscal 2017.

**Common pursuits of our Group Companies**

There are no common pursuits among our Company and our Group Companies.

For further details on the related party transactions, to the extent of which our Company is involved, see "*Related Party Transactions*" on page 200.

**Related Party Transactions**

Except as stated in "*Related Party Transactions*" on page 200, our Company has not entered into related party transactions with our Promoter or our Group Companies.

**Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company**

Except as stated in "*Related Party Transactions*" on page 200, there are no sales or purchases between Group Companies exceeding 10% in aggregate in value of the total sales or purchases of our Company.

**Interest of Group Companies in promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company.

**Interest of our Group Companies in the property of our Company**

None of our Group Companies have any interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

**Payment of amount or benefits to our Group Companies during the last two years**

Except for:

a. as disclosed in the section titled "*Related Party Transactions*" on page 200;

b. payment of expenses incurred in fiscals 2013 to 2016 by our Company in defending all defendants (including Infonauts Inc, USA) in the Rajan Desai et al. v. Infonauts et al. litigation, as well as in respect of the proceedings initiated by the Company and our Promoter against the US Plaintiffs before the Madras High Court; and

c. the irrevocable corporate guarantee executed by our Company on behalf of Infonauts Inc. in favour of Rajan Desai guaranteeing the Settlement Payments under the Settlement Agreement, as disclosed in "*History and Certain Corporate Matters – Material Agreements – Other Agreements*" on page 170;

no amount or benefits were paid or are intended to be paid to our Group Companies within the two years of the date of filing of this Draft Red Herring Prospectus.

**Interest of Group Companies in any transaction by our Company**

Except as disclosed in the section "*Related Party Transactions*" on page 200, none of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

**Business interests of our Group Companies in our Company**

Except as disclosed in the section "*Related Party Transactions*" on page 200, there are no business interests of our Group Companies in our Company.

**Shareholding of our Group Companies in our Company**

None of our Group Companies hold any Equity Shares in our Company.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five financial years, as per the requirements under Accounting Standard 18 'Related Party Disclosures', see sections titled "Annexure XXI - Restated Unconsolidated Statement of Related Party Transactions" (for our unconsolidated related party transactions) and "Annexure XX - Restated Consolidated Statement of Related Party Transactions" (for our consolidated related party transactions), on pages 324 and 258, respectively.

## DIVIDEND POLICY

Our Company does not have a formal dividend policy. The declaration and payment of dividends are governed by the applicable provisions of the Companies Act, 2013 and the Articles of Association and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

No dividends have been declared on the Equity Shares by our Company during the last five years.

Our dividend history is not necessarily indicative of our dividend policy, in the future. Future dividends, if any, will depend on our revenues, profits, cash flow, financial condition, capital requirements and other factors.

## SECTION V – FINANCIAL INFORMATION

## FINANCIAL STATEMENTS

**Report of auditors on the restated consolidated summary statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013 and Profits and Losses and Cash Flows for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 for Matrimony.com Limited (collectively, the "Restated Consolidated Summary Statements")**

The Board of Directors
Matrimony.com Limited
TVH Beliciaa Towers, 10th Floor, Tower II,
No 94, MRC Nagar,
Mandaveli,
Chennai – 600 028

Dear Sirs,

1. We have examined the Restated Consolidated Summary Statements of Matrimony.com Limited (Formerly referred to as Consim Info Private Limited or Matrimony.com Private Limited) (the "Company") and its subsidiaries (together referred to as the "Group"), as at and for each of the years March 31, 2017, 2016, 2015, 2014 and 2013 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed Initial Public Offer ("IPO"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

    a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act') read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and

    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

**Management's Responsibility for the Restated Consolidated Summary Statements**

2. The preparation of the Restated Consolidated Summary Statements, which is to be included in the offer documents being filed in connection with the IPO is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

**Auditors' Responsibilities**

3. We have examined such Restated Consolidated Summary Statements taking into consideration:

    a. the terms of our engagement agreed with you vide our engagement letter dated April 03, 2017, requesting us to carry out the assignment in connection with the proposed IPO of the Company;

    b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("Guidance Note"); and

    c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an IPO of its equity shares having a face value of Rs. 5 each at such premium, arrived at by book building process (referred to as the "Issue"), as may be decided by the Company's Board of Directors.

**Restated Consolidated Summary Statements as per audited consolidated financial statements:**

5. The Restated Consolidated Summary Statements has been compiled by the management from:

   a. the audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 prepared in accordance with accounting principles generally accepted in India and which have been approved by the Board of Directors at their meetings held on April 29, 2017, July 21, 2016, August 5, 2015, August 5, 2015 and August 5, 2015, respectively; and

   b. These consolidated financial statements included information in relation to the Company's subsidiaries as listed below which are audited by the other auditors:

| Name of the entity | Name of auditor | Relationship | Period covered |
|---|---|---|---|
| Matchify Services Private Limited (formerly known as Matchify.in Private Limited) | Kumar Bagri & Associates | Subsidiary | Years ended March 31, 2017, 2016 and 2015 |
| Tambulya Online Marketplace Private Limited | Kumar Bagri & Associates | Subsidiary | Years ended March 31, 2017, 2016 and 2015 |
| Consim Info USA Inc., USA | Manohar Chowdhry & Associates | Subsidiary | Years ended March 31, 2017, 2016, 2015, 2014 and 2013 |
| Community Matrimony Private Limited | Manohar Chowdhry & Associates | Subsidiary | Years ended March 31, 2017, 2016, 2015, 2014 and 2013 |
| Bharat Matrimony LLC., Dubai | Manohar Chowdhry & Associates | Subsidiary | Years ended March 31, 2016, 2015, 2014 and 2013 |
| Sys India Private Limited | Manohar Chowdhry & Associates | Subsidiary | Years ended March 31, 2017, 2016, 2015, 2014 and 2013 |
| Consim Direct Holdings Cyprus Limited, Cyprus | Kumar Bagri & Associates | Subsidiary | Years ended March 31, 2015, 2014 and 2013 |
| MatrimonyGifts Wholesale India Private Limited | Kumar Bagri & Associates | Subsidiary | Years ended March 31, 2015, 2014 and 2013 |
| Consim Direct Inc., Nevis | Kumar Bagri & Associates | Subsidiary | Year ended March 31, 2013 |
| Infonauts Inc., USA | Manohar Chowdhry & Associates | Subsidiary | Year ended March 31, 2013 |

6. For the purposes of our examination, we have relied on the auditors' reports issued by us dated April 29, 2017, July 21, 2016, August 5, 2015, August 5, 2015 and August 5, 2015 on the consolidated financial statements of the Group as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013, respectively as referred in Para 5 (a) above.

   We did not audit the financial statements of certain subsidiaries as referred in Para 5(b) above, whose share of total assets, total revenues, net cash inflows / (outflows) and the group's share of net profit / (loss) included in the Restated Consolidated Summary Statements, for the relevant years is tabulated below:

(Rs. in million)

| As at and for the year ended | Total Assets | Total revenue | Net Cash Inflow / (Outflow) |
|---|---|---|---|
| March 31, 2017 | 61.60 | 393.51 | 16.07 |

| | | | |
|---|---|---|---|
| March 31, 2016 | 77.91 | 57.90 | 39.77 |
| March 31, 2015 | 29.80 | 24.05 | 1.05 |
| March 31, 2014 | 45.02 | 15.41 | (5.20) |
| March 31, 2013 | 29.66 | 3.54 | 0.27 |

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5(b) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based solely on the report of other auditors.

These other auditors of the subsidiaries, as mentioned in paragraphs 5 and 6, have confirmed that the restated financial information of such subsidiaries:

a) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2017 are materially consistent with the policies adopted for each of the years ended March 31, 2016, 2015, 2014 and 2013 as applicable to such subsidiaries;

b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements and do not contain any qualification requiring adjustments.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note, we report that:

a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

b) The Restated Consolidated Summary Statement of Profit and Loss of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

c) The Restated Consolidated Summary Statement of Cash Flows of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

Based on the above and according to the information and explanations given to us, we further report that:

i) Restated Consolidated Summary Statements have been made after incorporating adjustments for the change in accounting policy adopted by the Group as at and for the year ended March 31, 2015 as described in Annexure IV B retrospectively to reflect the same accounting treatment as per changed accounting policy, and there are no other accounting policy changes in the years ended March 31, 2017, 2016, 2014 and 2013;

ii) Restated Consolidated Summary Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate as, in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV B;

iii) Restated Consolidated Summary Statements do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements; and

iv) There are no qualifications in the auditors' reports on the unconsolidated financial statements of the Company as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, which require any adjustments to the Restated Consolidated Summary Statements; and

v) Other audit qualifications included in the Auditor's report pursuant to Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 on the consolidated financial statements for the financial year ended 2017 and in the Annexure to the Auditor's report issued under Companies (Auditor's Report) Order, 2015 for the financial year ended March 31, 2015 which do not require any corrective adjustment in the financial information, are as follows:-

**A. Auditor's Report for the Financial year ended March 31, 2017**

The Holding Company and its subsidiaries incorporated in India, have provided requisite disclosures in Note 34 to these consolidated financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more fully described in Note 34 to these consolidated financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the Group and produced to us for verification by the Management of the Holding Company.

The aforesaid Note 34 to the consolidated financial statements for the year ended March 31, 2017 has been reproduced in Note 12 of Annexure IV A to the Restated Consolidated Summary Statements.

B. **Annexure to auditor's report for the Financial year ended March 31, 2015**

Clause (viii)
The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company has incurred cash loss.

8. We have not audited or reviewed any consolidated financial statements of the Group as of any date or for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31, 2017.

**Other Financial Information:**

9. At the Company's request, we have also examined the following restated consolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013:

i. Restated Consolidated Statement of Share Capital, enclosed as Annexure V

ii. Restated Consolidated Statement of Reserves and Surplus, enclosed as Annexure VI

iii. Restated Consolidated Statement of Long-term and Short-term Borrowings, enclosed as Annexure VII

iv. Restated Consolidated Statement of Other Long- term Liabilities and Long-term Provisions, enclosed as Annexure VIII

v. Restated Consolidated Statement of Trade Payables, Other Current Liabilities and Short-term Provisions, enclosed as Annexure IX

vi. Restated Consolidated Statement of Non-Current Investments, enclosed as Annexure X

vii. Restated Consolidated Statement of Long-term Loans and Advances, enclosed as Annexure XI

viii. Restated Consolidated Statement of Trade Receivables (net of provision for doubtful receivables), enclosed as Annexure XII

ix. Restated Consolidated Statement of Cash and Bank Balances, enclosed as Annexure XIII

x. Restated Consolidated Statement of Short-term Loans and Advances and Other Current Assets, enclosed as Annexure XIV

xi. Restated Consolidated Statement of Other Income, enclosed as Annexure XV

xii. Restated Consolidated Statement of Operating Expenses, enclosed as Annexure XVI

xiii. Restated Consolidated Statement of Exceptional Items, enclosed as Annexure XVII

xiv. Capitalisation Statement, enclosed as Annexure XVIII

xv. Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XIX

xvi. Restated Consolidated Statement of Related Party Transactions, enclosed as Annexure XX

xvii. Restated Consolidated Statement of Segment Information, enclosed as Annexure XXI

xviii. Statement of Dividend Paid, enclosed as Annexure XXII

10. According to information and explanations given to us, in our opinion, the Restated Consolidated Summary Statements and the abovementioned consolidated financial information as disclosed in the Annexures to this report, read with the Summary of Significant Accounting Policies disclosed in Annexure IV A, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure IV B and have been prepared in accordance Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for your information and for inclusion in the offer document to be filed with SEBI, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Tamil Nadu in connection with the proposed IPO of the Company. Our report is not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

**Shankar Srinivasan**
Partner
Membership No: 213271

Place: Mumbai
Date: April 29, 2017

**Matrimony.com Limited**
**Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities**

*(All amounts are in INR million unless otherwise stated)*

| | Particulars | Annexure No. | As at | | | | |
|---|---|---|---|---|---|---|---|
| | | | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| | **Equity and liabilities** | | | | | | |
| **A** | **Shareholders' funds** | | | | | | |
| | Share capital | V | 106.21 | 91.93 | 91.93 | 59.38 | 59.38 |
| | Reserves and surplus | VI | (417.53) | (852.84) | (101.23) | (81.28) | 10.31 |
| | | | **(311.32)** | **(760.91)** | **(9.30)** | **(21.90)** | **69.69** |
| | | | | | | | |
| **B** | **Minority Interest** | | **-** | **2.63** | **2.49** | **2.24** | **2.00** |
| | | | | | | | |
| **C** | **Non-current liabilities** | | | | | | |
| | Long term borrowings | VII (A) | - | 1.56 | 5.02 | - | - |
| | Other long term liabilities | VIII (A) | 2.51 | 209.47 | 34.82 | 52.44 | 0.25 |
| | Long term provisions | VIII (B) | 19.51 | 16.30 | 15.01 | 12.29 | 11.10 |
| | | | **22.02** | **227.33** | **54.85** | **64.73** | **11.35** |
| **D** | **Current liabilities** | | | | | | |
| | Short-term borrowings | VII (B) | 443.76 | 481.93 | 267.27 | 148.13 | 254.98 |
| | Trade payables | IX (A) | | | | | |
| | Total outstanding dues of micro enterprises and small enterprises | IVA (7) | - | - | - | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | 163.66 | 352.16 | 226.49 | 229.82 | 194.90 |
| | Other current liabilities | IX (B) | 817.36 | 883.05 | 443.20 | 381.97 | 318.16 |
| | Short term provisions | IX (C) | 58.14 | 52.27 | 46.90 | 25.77 | 51.89 |
| | | | **1,482.92** | **1,769.41** | **983.86** | **785.69** | **819.93** |
| | **Total Equity and liabilities (A+B+C+D)** | | **1,193.62** | **1,238.46** | **1,031.90** | **830.76** | **902.97** |
| | | | | | | | |
| | **Assets** | | | | | | |
| **E** | **Non-current assets** | | | | | | |
| | **Fixed assets** | | | | | | |
| | Property, Plant and Equipment | | 177.68 | 192.03 | 162.28 | 158.39 | 152.22 |
| | Intangible assets | | 64.68 | 92.03 | 74.45 | 34.61 | 24.64 |
| | Intangible assets under Development | | - | - | 2.87 | 43.14 | 2.26 |
| | Goodwill | | - | 0.39 | 0.39 | 0.39 | 0.39 |
| | Non-current investments | X | - | - | - | 0.30 | 0.30 |
| | Long term loans and advances | XI | 190.43 | 111.68 | 123.63 | 145.91 | 137.52 |
| | | | **432.79** | **396.13** | **363.62** | **382.74** | **317.33** |
| **F** | **Current assets** | | | | | | |
| | Inventory | | - | - | - | 3.85 | 1.28 |
| | Trade receivables | XII | 21.57 | 18.96 | 10.20 | 15.52 | 13.15 |
| | Cash and bank balances | XIII | 580.13 | 583.84 | 531.24 | 373.04 | 318.29 |
| | Short term loans and advances | XIV (A) | 39.06 | 109.72 | 92.11 | 51.87 | 249.45 |
| | Other current assets | XIV (B) | 120.07 | 129.81 | 34.73 | 3.74 | 3.47 |
| | | | **760.83** | **842.33** | **668.28** | **448.02** | **585.64** |
| | **Total Assets (E+F)** | | **1,193.62** | **1,238.46** | **1031.90** | **830.76** | **902.97** |

**Matrimony.com Limited**

**Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities (continued)**

**Note:**

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV A & IV B.

As per our report of even date

| | | |
|---|---|---|
| **For S. R. BATLIBOI & ASSOCIATES LLP**<br>Chartered Accountants<br>ICAI Firm Registration No.: 101049W/E300004 | **For and on behalf of the Board of Directors of Matrimony.com Limited** | |
| **Shankar Srinivasan**<br>Partner<br>Membership No: 213271 | **Murugavel Janakiraman**<br>Managing Director | **Avneet Singh Kochar**<br>Director |
| Place: Mumbai<br>Date: April 29, 2017 | **K Balasubramanian**<br>Chief Financial Officer | **S Vijayanand**<br>Company Secretary |

**Matrimony.com Limited**
**Annexure II - Restated Consolidated Summary Statement of Profits and Losses**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Annexure No. | Year ended | | | | |
|---|---|---|---|---|---|---|
| | | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Income from operations** | | | | | | |
| Revenue from operations | | | | | | |
| Matchmaking services | | 2,807.63 | 2,440.31 | 2,319.91 | 1,988.55 | 1,873.22 |
| Marriage services | | 120.56 | 107.89 | 73.50 | 50.74 | 9.93 |
| Sale of products – return gifts | | - | - | 20.71 | 15.09 | 2.92 |
| | | | | | | |
| Other income | XV | 1.11 | 6.09 | 14.29 | 18.76 | 1.76 |
| **Total revenue** | | **2,929.30** | **2,554.29** | **2,428.41** | **2,073.14** | **1,887.83** |
| | | | | | | |
| **Expenses** | | | | | | |
| Purchase of traded goods | | - | - | 15.10 | 12.78 | 3.40 |
| Increase / (decrease) in inventories of traded goods | | - | - | 3.85 | (2.57) | (0.95) |
| Employee benefit expenses | XVI (A) | 1,165.85 | 1,252.52 | 1,059.28 | 878.89 | 750.91 |
| Advertisement and business promotion expenses | XVI (B) | 522.30 | 538.60 | 532.52 | 481.38 | 462.40 |
| Other expenses | XVI (C) | 649.11 | 690.86 | 639.58 | 572.20 | 510.08 |
| **Total expenses** | | **2,337.26** | **2,481.98** | **2,250.33** | **1,942.68** | **1,725.84** |
| | | | | | | |
| **Restated earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)** | | **592.04** | **72.31** | **178.08** | **130.46** | **161.99** |
| | | | | | | |
| Depreciation and amortisation expense | | 103.81 | 97.54 | 81.67 | 56.36 | 64.69 |
| | | | | | | |
| Finance cost | | 44.28 | 29.86 | 15.71 | 8.22 | 14.01 |
| | | | | | | |
| Finance income | | (37.74) | (42.24) | (32.14) | (31.78) | (39.66) |
| | | | | | | |
| **Restated earnings before exceptional items, tax and minority interest** | | **481.69** | **(12.85)** | **112.84** | **97.66** | **122.95** |
| | | | | | | |
| Less: Exceptional items | XVII | 43.72 | 737.66 | 141.78 | 188.97 | 18.58 |
| | | | | | | |
| **Restated profit / (loss) before tax and minority interest** | | **437.97** | **(750.51)** | **(28.94)** | **(91.31)** | **104.37** |

**Matrimony.com Limited**
**Annexure II - Restated Consolidated Summary Statement of Profits and Losses (continued)**

| Particulars | Annexure No. | Year ended | | | | |
|---|---|---|---|---|---|---|
| | | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Tax expense** | | | | | | |
| Current tax | | 15.14 | 0.04 | 0.10 | 0.04 | 0.02 |
| MAT Credit Entitlement | | (15.00) | - | - | - | - |
| Deferred tax | | - | - | - | - | - |
| **Total tax expense** | | **0.14** | **0.04** | **0.10** | **0.04** | **0.02** |
| | | | | | | |
| **Restated profit / (loss) before minority interest (A)** | | **437.83** | **(750.55)** | **(29.04)** | **(91.35)** | **104.35** |
| | | | | | | |
| **Minority interest (B)** | | 0.02 | 0.14 | 0.25 | 0.24 | 0.25 |
| | | | | | | |
| **Restated profit / (loss) for the year (A-B)** | | **437.81** | **(750.69)** | **(29.29)** | **(91.59)** | **104.10** |

**Note:**

1) The above statement should be read with the notes to restated Consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV A and IV B.

As per our report of even date

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

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

**Shankar Srinivasan**
Partner
Membership No: 213271

**Murugavel Janakiraman**
Managing Director

**Avneet Singh Kochar**
Director

Place: Mumbai
Date: April 29, 2017

**K Balasubramanian**
Chief Financial Officer

**S Vijayanand**
Company Secretary

**Matrimony.com Limited**
**Annexure III - Restated Consolidated Summary Statement of Cash Flows**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES** | | | | | |
| Net profit before taxation from operations before exceptional items (as restated) | 481.69 | (12.85) | 112.84 | 97.66 | 122.95 |
| | | | | | |
| **Adjustments to reconcile profit / (loss) before tax to net cash flows** | | | | | |
| Depreciation and amortization | 103.81 | 97.54 | 81.67 | 56.36 | 64.69 |
| Loss on sale / write off of Property, Plant and Equipment (net) | 1.56 | 3.64 | 9.71 | 8.09 | 5.31 |
| Provision for doubtful debts and advances | 5.29 | 6.24 | 10.14 | 1.05 | 0.38 |
| Unrealised foreign exchange loss / (gain) (net) | 2.64 | (1.66) | (1.50) | (3.88) | 0.18 |
| Provision for litigation (refer Note 4(b) in Annexure IX) | 1.76 | - | 16.29 | - | - |
| Liabilities no longer required written back | (0.24) | (0.73) | (1.05) | (5.90) | (0.56) |
| Interest expense | 43.59 | 28.38 | 14.49 | 7.07 | 12.71 |
| Interest income | (37.74) | (42.24) | (32.14) | (31.78) | (39.66) |
| | | | | | |
| | | | | | |
| **Operating profit / (loss) before working capital changes (as restated)** | **602.36** | **78.32** | **210.45** | **128.67** | **166.00** |
| **Movement in working capital** | | | | | |
| (Increase) / decrease in Trade receivables | (7.89) | (14.99) | (4.83) | (2.48) | 8.35 |
| (Increase) / decrease in Long term loans and advances | (61.31) | 18.68 | 25.12 | 3.51 | (43.11) |
| (Increase) / decrease in Short term loans and advances | 70.66 | (17.62) | (37.68) | (14.51) | (10.34) |
| (Increase) / decrease in Inventories | - | - | 3.85 | (2.57) | (0.95) |
| (Increase) / decrease in Other current assets | (16.37) | (93.90) | (16.69) | (0.26) | 4.21 |
| Increase / (decrease) in Trade payables | (122.47) | 100.45 | (0.87) | 53.42 | (40.02) |
| Increase / (decrease) in Long / short term provisions | 7.33 | 6.66 | 23.84 | (24.92) | 7.03 |
| Increase / (decrease) in Other current liabilities | 49.28 | 134.54 | 20.93 | 69.17 | 39.37 |
| Increase / (decrease) in Other non-current liabilities | (8.30) | (0.56) | 11.23 | (0.10) | 0.19 |
| **Cash flow from operations** | **513.29** | **211.60** | **235.35** | **209.93** | **130.75** |
| Income taxes paid (net of refunds) | (17.51) | (6.80) | (2.93) | (8.72) | 5.65 |
| **Net cash generated from operating activities before exceptional items** | **495.78** | **204.80** | **232.42** | **201.21** | **136.38** |
| Cash flow from / (used in) Exceptional items | (354.59) | (279.95) | (149.08) | (153.06) | (31.67) |
| **Net cash generated from operating activities (A)** | **141.19** | **(75.15)** | **83.34** | **48.15** | **104.71** |

**Matrimony.com Limited**
**Annexure III - Restated Consolidated Summary Statement of Cash Flows (continued)**

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES** | | | | | |
| Purchase of property, Plant and Equipment including intangible assets, and capital advances | (101.24) | (98.92) | (102.67) | (123.25) | (102.10) |
| Investment in redeemable preference shares | - | - | - | (50.00) | - |
| Redemption of redeemable preference shares | - | - | - | 50.84 | - |
| Proceeds from sale of Property, Plant and Equipment | 1.10 | 0.67 | 2.23 | 1.51 | 0.42 |
| Proceeds from sale of non-current investments / disposal of subsidiaries | - | - | 2.20 | - | 0.14 |
| Interest received | 32.49 | 41.07 | 17.84 | 28.38 | 37.34 |
| Investment in bank deposits (with maturity more than three months) (net) | 74.48 | 62.74 | (67.90) | (53.54) | 3.48 |
| **Net cash used in investing activities (B)** | **6.83** | **5.56** | **(148.30)** | **(146.06)** | **(60.72)** |
| | | | | | |
| **C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES** | | | | | |
| Proceeds from issue of share capital | 8.00 | - | 42.77 | - | - |
| Advance (given) / repaid (to) by enterprises in which directors are interested | | - | - | 211.25 | (211.25) |
| Proceeds / (repayment) from long-term borrowings (net) | (3.49) | (3.15) | 8.21 | - | - |
| Proceeds / (repayment) short-term borrowings (net) | (38.17) | 214.65 | 115.94 | (106.85) | 167.05 |
| Interest paid | (43.59) | (28.38) | (14.49) | (7.07) | (12.71) |
| **Net cash generated from / (used in) financing activities (C)** | **(77.25)** | **183.12** | **152.43** | **97.33** | **(56.91)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | **70.77** | **113.53** | **87.47** | **(0.58)** | **(12.92)** |
| Effect of exchange differences on Cash & Cash Equivalents held in foreign currency | - | 1.81 | 2.84 | 1.79 | 0.17 |
| Cash and Cash Equivalents at the beginning of the year | 228.07 | 112.73 | 22.42 | 21.21 | 34.91 |
| Cash and Cash Equivalents transferred pursuant to demerger (Refer Note 9 of Annexure IV A) | - | - | - | - | (0.95) |
| **Cash and cash equivalents at the end of the year** | **298.84** | **228.07** | **112.73** | **22.42** | **21.21** |

**Matrimony.com Limited**
**Annexure III - Restated Consolidated Summary Statement of Cash Flows (continued)**

| Components of Cash and Cash Equivalents | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Cash on hand | 4.00 | 5.65 | 5.86 | 5.25 | 3.47 |
| Cheques on hand | 4.48 | 4.22 | 3.61 | 3.56 | 1.58 |
| Deposits with original maturity of less than three months | 240.00 | 161.00 | 30.00 | - | - |
| Balances with banks on current accounts | 50.36 | 57.20 | 73.26 | 13.61 | 16.16 |
| **Total** | **298.84** | **228.07** | **112.73** | **22.42** | **21.21** |

**Note:**

1) The above statement should be read with the notes to restated Consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

As per our report of even date

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

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

**Shankar Srinivasan**
Partner
Membership No: 213271

**Murugavel Janakiraman**
Managing Director

**Avneet Singh Kochar**
Director

Place: Mumbai
Date: April 29, 2017

**K Balasubramanian**
Chief Financial Officer

**S Vijayanand**
Company Secretary

**Matrimony.com Limited**
**Annexure IV A - Notes to restated consolidated financial statements**

**Notes to the restated consolidated summary statement of assets and liabilities, profit and losses and cash flows for the years ended March 31, 2017, 2016, 2015, 2014 and 2013:**

## 1 Background

Matrimony.com Limited ("the Company") offers online matchmaking services on internet and mobile platforms. The Company delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India. Such services are primarily delivered online through popular domain specific web portals like BharatMatrimony.com, CommunityMatrimony.com, AssistedMatrimony.com and EliteMatrimony.com. Revenue comprises of membership subscription, assisted matrimonial service fees and sales from online advertising packages.

The Company has expanded into marriage services such as MatrimonyDirectory.com, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Company has also recently introduced MatrimonyPhotography.com to provide wedding photography and videography services. Up to the year ended March 31, 2012, the Company also had a division which provided property listing and advisory services, which was demerged pursuant to the Court order with effect from April 1, 2012. Refer note 9 of Annexure IV A for further details.

At the extra-ordinary general meeting of the shareholders held on December 2, 2014, the shareholders approved the conversion of the Company from Private limited Company to a Public limited Company, and approved the change in the name of the Company from Matrimony.com Private Limited to Matrimony.com Limited. The Company received a certificate of change in name from the Registrar of Companies on January 2, 2015.

## 2 Basis of preparation

The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Restated Consolidated Summary Statement of Profits and Losses and the Restated Consolidated Summary Statement of Cash Flows for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and annexures thereto (herein collectively referred to as "Restated Consolidated Summary Statements") have been compiled by the management from the then audited consolidated financial statements of the Company for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The audited consolidated financial statements of the Company were prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Company has prepared the audited consolidated financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 and as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The audited consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used for the purpose of preparation of financial statements as at and for the year ended March 31, 2017.

The Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Section 26 of Chapter III of the Companies Act, 2013 read with rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") as amended from time to time.

These Statements and Other Financial Information have been prepared after incorporating adjustments for the material amounts in the respective years to which they relate. There are no changes in accounting policies (except change in accounting policy detailed in 3.15"Segment Reporting" section in significant accounting policies), incorrect accounting policies or auditors' qualification which require adjustment.

**2.1 Principles of Consolidation**

The Restated Consolidated Summary Statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements under Revised Accounting Standard 21, "Consolidated Financial Statements". The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together book values of all items of assets, liabilities, incomes and expenses after eliminating all intercompany balances / transactions and resulting unrealized gain / loss. The subsidiaries are consolidated from acquisition date till the date they cease to become a subsidiary. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the date of investments as stated. The Restated consolidated financial statements have been prepared using uniform policies for like transactions and other events in similar circumstances.

The excess of cost to the Company of its investments in subsidiaries over its proportionate share in equity of the investee company as at the date of acquisition, is recognised in the consolidated financial statements as goodwill, when the cost to the Company of its investment in the subsidiary is less than the Company's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is accounted as capital reserve. In case of acquisition of additional stake in the existing subsidiary, the excess purchase consideration over the Company's portion of equity of the subsidiary on the date on which the additional investment is made is treated as goodwill.

The Restated consolidated summary statements includes the financial information of Matrimony.com Limited and its following subsidiaries:

| Name of the entity | Country of Incorporation | Ownership Interest* | From Date | To Date |
|---|---|---|---|---|
| BharatMatrimony LLC (also refer note 4(J)) | UAE | 49.00% | 13-Jun-06 | 25-Apr-16 |
| Infonauts Inc. | USA | 100% | 16-Jun-06 | 31-Mar-13 |
| Perspi Interactive Private Limited | India | 99.99% | 17-Apr-09 | 27-Apr-12 |
| Community Matrimony Private Limited | India | 99.99% | 02-Jul-09 | Till date |
| Sys India Private Limited | India | 99.99% | 18-May-10 | Till date |
| Consim Info USA Inc. | USA | 100% | 19-May-10 | Till date |
| Consim Direct Inc. | Island of Nevis | 100% | 07-Dec-10 | 06-Dec-12 |
| MatrimonyGifts Wholesale India Private Limited | India | 99.99% | 12-Sep-11 | 30-Dec-14 |
| Consim Direct Holdings Cyprus Limited | Cyprus | 100% | 10-Oct-12 | 29-Dec-14 |
| Matchify Services Private Limited | India | 99.99% | 12-Nov-14 | Till date |
| Tambulya Online Market Place Private Limited | India | 99.99% | 22-Jan-15 | Till date |

*Ownership interest remains same throughout the period mentioned above in the table, except for "Perspi Interactive Private Limited", refer note 4 for the details of subsidiaries.

The Company together with its subsidiaries are hereinafter collectively referred as the "Group".

The Revenue and expenses of the integral foreign subsidiaries are translated into Indian rupees using monthly average exchange rates. At the end of the year, foreign currency monetary items are reported using the closing rate and non-monetary items are reported using the exchange rate at the date of transaction. Any exchange difference arising on consolidation is recognised in the statement of profit and loss.

The Revenue and expenses of the non-integral foreign subsidiaries are translated into Indian rupees using monthly average exchange rates. At the end of the year, the assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. The exchange differences arising on translation are accumulated in the foreign currency translation reserve.

## 3 Summary of significant accounting policies

### 3.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### 3.2 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. Any trade discounts and rebates are deducted in arriving at the purchase price. 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 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 fixed assets 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 Group identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, Plant and Equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

### 3.3 Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by management. Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From the year March 31, 2015, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013, which prescribes useful lives for Property, Plant and Equipment which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

| Category of assets | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
|---|---|---|---|---|---|
| Furniture and fixtures | 2-5 | 2-5 | 2-5 | 2-5 | 2-5 |
| Computer and Network Equipment | 4-6 | 4-6 | 4-6 | 6 | 6 |
| Vehicles | 5-8 | 5-8 | 5-8 | 5 | 5 |
| Plant & Machinery | 5 | 5 | 5 | 5 | NA |
| Office Equipment | 2-7 | 2-7 | 2-7 | 2-7 | 2-7 |

During the year ended March 31, 2013, the Group revised the estimated useful life of furniture and fixtures, office equipment, vehicles and leasehold improvements, which has resulted in additional charge of depreciation amounting to Rs. 12.66 million in that year. Further, during the year ended March 31, 2015, the Group revised the estimated useful lives of Computers and Network Equipment which has resulted in additional charge of depreciation amounting to Rs.9.05 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

Wherever the Company has applied useful lives different from Schedule II of the Companies Act, 2013, adequate internal assessment and technical evaluation has been performed.

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 amortized over the primary period of lease or useful life, whichever is lesser. The useful life for leasehold improvements is estimated as 7 years.

### 3.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year 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 are amortized on straight line basis over the period of rights, ranging between 1 to 10 years.

Capitalised 'Portal Development' expense are amortised on straight line basis over the period of 3 years.

Computer software is depreciated using the straight-line method over a period based on management's estimate of useful lives of such software (3 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 financial year 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 accounted for in accordance with AS 5 Net profit or loss for the period, prior period items and changes in accounting policies.

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.

*Research and development costs*

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits

- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

**3.5 Leases**

*Where the company is lessee*

Leases, where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term

**3.6 Borrowing costs**

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

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

**3.7 Impairment of Property, Plant and Equipment and intangible assets**

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

Impairment losses 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.

**3.8 Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 3.9 Inventories

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost is determined on the basis of weighted average cost method.

### 3.10 Revenue recognition

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

*Income from services*

Revenue from subscriptions towards matrimony service contracts are recognised pro-rata over the period of the contract as and when services are rendered.

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

The Group collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

*Income from sale of goods*

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

*Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

### 3.11 Foreign currency translation

*Foreign currency transactions and balances*

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

The revenue transactions of the integral operations are recorded at weighted average monthly rates for practical rates for practical purpose where such rates approximate the exchange rate at the date of transactions.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise.

(iv) Translation of integral foreign operations

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself. The resulting difference on account of translations is recorded in the statement of profit and loss.

(v) Translation of Non - integral foreign operations

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction.

The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

**3.12 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 administered by the Government of India. The Group recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Retirement benefit in the form of gratuity is a defined benefit scheme. The costs of providing benefit under this plan are determined on the basis of actuarial valuation at each reporting period end, using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on the actuarial valuation at the reporting period 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.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

**3.13 Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current period and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the

reporting date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.
Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income-tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the " Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT Credit Entitlement. The company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### 3.14 Employee stock compensation cost

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

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

### 3.15 Segment reporting

**Change in accounting policy**

**Identification of Segments**

In accordance with the Accounting Standard - 17- "Segment reporting" notified by Companies (Accounting Standard) Rules, 2016, the Group presented its segmental information adopting business segment as the primary reporting format and geographical segment as the secondary reporting format..
Till the year ended March 31, 2014, the Group has presented its entire business as a single segment.

During the year ended March 31, 2015, in view of certain new products launched by the Group and based on the internal structure and evaluation of risks and rewards of the various section of the business, the Group has identified three business segments viz. "Matchmaking Services", "Marriage services and related sale of products" and "Others" segments as the primary reportable segments.

The segment disclosure for the earlier years have also been prepared and disclosed in accordance with the revised segment policy in these Restated Consolidated Summary Statements.

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services.

**Inter-segment transfers**

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**Allocation of common costs**

Common allocable costs are allocated to each segment on a reasonable basis.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

**3.16 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

**3.17 Provisions**

A provision is recognized when the Group has a present obligation as a result of 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 their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**3.18 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.

**3.19 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of not more than three months.

**3.20 Measurement of EBITDA**

As permitted by Schedule III of Companies Act, 2013 (erstwhile Revised Schedule VI to the Companies Act, 1956), the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit / (loss) from total operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs, finance income and tax expense.

**Matrimony.com Limited**
**Annexure IV A - Notes to Restated Consolidated Summary Statements**

**4 Information about subsidiaries**

**A Perspi Interactive Private Limited**

Perspi Interactive Private Limited was engaged in the business of owning and operating a portal namely, Clickjobs.com, which provides job related services online.

Pursuant to a share purchase and share holders' agreement dated March 21, 2012 entered into with certain buyers, the Company disposed off 67,700 equity shares out of 367,700 equity shares in Perspi Interactive Private Limited (''Perspi'') to such buyers for a consideration of Rs. 1.07 million.

On April 27, 2012, consequent to the additional investment made by the buyers in Perspi, the shareholding of the Company in Perspi has reduced from 81.59% in March 2012 to 24.00%. Accordingly, it ceased to be a wholly owned subsidiary and the excess of liabilities over assets of Rs. 14.30 million has been considered as a deemed profit on disposal of subsidiary. Further vide share purchase agreement dated September 1, 2014, the Company disposed off the remaining 300,000 equity shares in Perspi and the profit earned on account of such disposal is Rs. 4.00 million and the same has been classified as an "exceptional item" in the statement of profit and loss being non-routine in nature.

**B Consim Direct Inc., Nevis**

Consim Direct Inc., Nevis was incorporated to act as a collection agent to Matrimony.com Limited. The Company filed its Articles of Dissolution with the Registrar of Companies of Island of Nevis and dissolved on December 6, 2012 (the necessary formalities relating to it were completed).

**C Infonauts Inc, USA**

Infonauts Inc, USA was in the business of providing marketing and administrative services to Matrimony.com Limited in respect of non-resident Indian markets worldwide through its USA office. During the year ended March 31, 2013, the Company transferred its entire holding in Infonauts Inc, USA to the promoter of the Company.

**D Consim Direct Holdings Cyprus Limited**

Consim Direct Holdings Cyprus Limited was incorporated to act as a collection agent to Matrimony.com Limited. On November 26, 2014, the Board of Directors of Matrimony.com Limited passed a resolution to dissolve Consim Direct Holdings Cyprus Limited and applied for its dissolution with Registrar of Companies, Republic of Cyprus on December 29, 2014.

**E MatrimonyGifts Wholesale India Private Limited**

MatrimonyGifts Wholesale India Private Limited was engaged in the business of trading in marriage related gift articles.

In December 2014, the Company entered into a sale agreement with certain buyers to sell the entire investment held in MatrimonyGifts Wholesale India Private Limited for a consideration of Rs. 0.20 million. As per the sale agreement, the applications before the Registrar of Trademarks for registration of label / word mark "Tambulya" shall rest with Matrimony.com Limited. The Board of directors has approved the sale vide resolution dated December 30, 2014. Consequent to this, the Company has recorded a profit of Rs. 0.46 million and the same has been classified as an "exceptional item" in the statement of profit and loss being non-routine in nature.

**F Community Matrimony Private Limited**

Community Matrimony Private Limited was incorporated on May 2, 2009 and engaged in the business of providing online advertising services to Matrimony.com Limited. Management has decided to discontinue the operations in Community Matrimony Private Limited and the same was approved by the Company's board of directors in their meeting dated July 21, 2016.

**G Sys India Private Limited**

Sys India Private Limited was incorporated on May 18, 2010 and engaged in the business of providing advertising services in print media to Matrimony.com Limited.

**H Matchify Services Private Limited (formerly known as Matchify.in Private Limited)**

Matchify.in Private Limited was incorporated on November 12, 2014. Subsequently the name of the Company changed to Matchify Services Private Limited on December 29, 2014. Matchify Services Private Limited focuses on the rapidly-growing mobile dating space in India and seeks to find users a match closer to their location and interest. Management has taken a decision to phase out the operations to curtail the losses incurred by this business in the future and the same was approved by the Company's board of directors in their meeting dated July 21, 2016.

**I Tambulya Online Marketplace Private Limited**

Tambulya Online Marketplace Private Limited was incorporated on January 22, 2015 and engaged in the business of providing a platform, technology and/or other mechanism/services through websites for all types of commerce whether by and between businesses, by and between individual consumers, or by and between businesses and individual consumers. Management has taken a decision to phase out the operations to curtail the losses incurred by this business in the future and the same was approved by the Company's board of directors in their meeting dated July 21, 2016.

**J BharatMatrimony LLC**

BharatMatrimony LLC, Dubai ("BM LLC") is in the business of providing marketing and administrative services to Matrimony.com Limited in respect of the non-resident Indian market in the Gulf countries. The Company held 49% of the equity in BM LLC under the terms of the Memorandum of Association of BM LLC and the Company is entitled to 80% of the profits / losses. BM LLC has been consolidated as a subsidiary as the Company has substantive control over its operations. On September 8, 2015, the shareholders of BharatMatrimony LLC, Dubai in their Extraordinary General Meeting decided to dissolve and liquidate BharatMatrimony LLC, Dubai. Accordingly the trade license cancellation with Government of Dubai was applied and the same has been obtained on April 25, 2016. The profit earned on account of liquidation aggregating Rs 2.35 million has been classified as an "exceptional item" in the statement of profit and loss being non-routine in nature.

**K Consim Info USA Inc**

Consim Info USA Inc was incorporated on May 19, 2010 under New Jersey state law and engaged in the business of providing marketing and administrative services to Matrimony.com Limited in respect of non-resident Indian markets worldwide through its USA office.

**5 Employee benefits**

The Group has a defined benefit gratuity plan aligned with Payment of Gratuity Act, 1972, in India and as per the local regulations in Dubai. In India, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 1.00 million. The plan assets are in the form of corporate bonds in the Company's name with Reliance Life Insurance Company Limited.

**Statement of profit and loss**

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Current service cost | 4.49 | 4.72 | 4.93 | 4.72 | 5.71 |
| Interest cost | 2.14 | 1.88 | 1.25 | 1.18 | 1.05 |
| Expected return on plan assets | (0.04) | (0.07) | (0.04) | (0.03) | (0.01) |
| Past service cost | - | - | - | - | - |
| Net actuarial loss | 5.22 | 3.33 | 2.48 | 1.54 | 0.20 |
| **Net employee benefit expense (Refer Annexure XVI (A))** | **11.81** | **9.86** | **8.62** | **7.41** | **6.95** |

**Balance sheet**
**Details of provision for gratuity**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Defined benefit obligation | 39.11 | 31.65 | 28.13 | 22.61 | 19.49 |
| Fair value of plan assets | (0.39) | 0.72 | 1.02 | 0.43 | 0.24 |
| **Net liability recognised in the Balance Sheet** | **38.72** | **30.93** | **27.11** | **22.18** | **19.25** |
| | | | | | |
| Experience adjustments on plan liabilities - (loss) / gain | (4.81) | (3.08) | (3.07) | (1.75) | 1.75 |
| Experience adjustments on plan assets - (loss) / gain | (0.01) | (0.05) | - | (0.01) | 0.03 |

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

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Opening defined benefit obligation | 31.65 | 28.13 | 22.61 | 19.49 | 15.56 |
| Liability transferred on account of demerger (Refer note 4) | - | - | - | - | (1.89) |
| Current service cost | 4.49 | 4.72 | 4.93 | 4.72 | 5.71 |
| Interest cost | 2.14 | 1.88 | 1.25 | 1.18 | 1.05 |
| Actuarial (gains) / losses | 5.21 | 3.28 | 2.48 | 1.53 | 0.23 |
| Past service cost | - | - | - | - | - |
| Benefits paid | (4.38) | (6.36) | (3.14) | (4.31) | (1.17) |
| **Closing defined benefit obligation** | **39.11** | **31.65** | **28.13** | **22.61** | **19.49** |

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

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Opening fair value of plan assets | 0.72 | 1.02 | 0.43 | 0.24 | 0.06 |
| Expected return on plan assets | 0.04 | 0.07 | 0.03 | 0.03 | 0.01 |
| Contributions | 4.00 | 3.50 | 3.01 | 2.41 | 0.82 |
| Actuarial gain / (loss) | (0.01) | (0.05) | - | (0.01) | 0.03 |
| Benefits paid | (4.36) | (3.82) | (2.45) | (2.24) | (0.68) |
| **Closing fair value of plan assets** | **0.39** | **0.72** | **1.02** | **0.43** | **0.24** |
| | | | | | |
| Actuarial return on plan assets | 0.03 | 0.02 | 0.05 | 0.02 | 0.04 |

**Actuarial assumptions**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Discount rate | 6.50% | 7.80% | 7.80% | 8.50% | 7.70% |
| Expected return on plan assets | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |
| Salary escalation | 8.00% | 8.00% | 8.00% | 10.00% | 10.00% |
| Attrition | 60.00% | 60.00% | 60.00% | 60.00% | 60.00% |

The overall expected rate of return on assets is determined based on the 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, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Expected contribution for the financial year following 2016-17 is Rs. 19.21 million.

**6 Operating Lease**

Office premises (including retail outlets' premises) are obtained under operating leases. The lease rentals incurred during the year have been charged as expenses in the Statement of Profit and Loss, the details of which are given below. The lease term varies between 3 years to 9 years. The future lease rental payables as follows:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Lease payments recognised for the year | 174.09 | 180.70 | 189.51 | 180.60 | 167.00 |
| **Future lease payments:** | | | | | |
| Not later than one year | 109.50 | 112.97 | 132.22 | 142.28 | 167.91 |
| Later than one year but not later than five years | 288.93 | 176.46 | 160.31 | 247.87 | 396.32 |
| Later than five years | 67.35 | 18.21 | 3.75 | 15.12 | 42.10 |

**7 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Principal amount due to micro and small enterprises | - | - | - | - | - |
| Interest due on above | - | - | - | - | - |
| **Total** | - | - | - | - | - |

The information regarding micro or small enterprise has been determined on the basis of information available with the management and there are no dues to Micro and Small Enterprises as on March 31, 2017.

**8 Employee Stock Option Scheme**

8.1 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 5 years from the date of vesting.

**Details of grants under ESOS 2014:**

| Grant | Date of Grant | Number of options granted* | Vesting period | Manner of vesting |
|---|---|---|---|---|
| Grant 1 & 2 | 13-Oct-2010 | 3,236 | 13-Oct-2010 to 13-Oct-2011 | Eligible on a graded manner over a two year period with 75% of the grants vesting immediately on the date of the grant and the balance 25% of the grants vesting at the end of one year from the date of grant. |
| Grant 3, 4, 5 & 6 | 14-Apr-14 | 381,772 | 14-Apr-2014 to 14-Oct-2018 | Eligible on a graded manner over four year and six month 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 | 25-Sep-14 | 26,531 | 25-Sep-14 to 01-Oct-2018 | Eligible on a graded manner over four year 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 | 17-Jul-15 | 80,000 | 17-Jul-2015 to 01-Oct-2019 | Eligible on a graded manner over four year period with 25% of the grants vesting at the end of every 12 months starting from October 1, 2015. |
| Grant 10 | 09-Feb-16 | 9,600 | 09-Feb-16 to 01-Apr-2020 | Eligible on a graded manner over four year period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017. |
| Grant 11 | 30-Jun-16 | 2,000 | 30-Jun-2016 to 01-Jul-2020 | Eligible on a graded manner over four year period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017. |

* The number of options granted was subsequently adjusted for bonus and consolidation of shares, wherever applicable. The impacts of such adjustments are also reflected 8.2 below.

8.2 **Activity in the options outstanding under ESOS 2014**

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Options outstanding at the beginning of the year | 436,284 | 433,617 | 50,482 | 50,482 | 50,482 |
| Options lapsed during the year | (45,195) | (69,154) | - | - | - |
| Options granted during the year | 2,000 | 89,600 | 408,303 | - | - |
| Increase on account of Bonus (Refer note 5.4 and 5.5 in Annexure V for details) | - | - | 346,784 | - | - |
| Adjustments on account of consolidation of shares (Refer note 5.6 in Annexure V for details) | - | (17,779) | (255,424) | - | - |
| Options exercised during the year | (77,663) | - | (116,528) | - | - |
| Options outstanding at the end of the year | 315,426 | 436,284 | 433,617 | 50,482 | 50,482 |
| Options exercisable at the end of the year | 147,384 | 104,072 | - | 50,482 | 50,482 |

The weighted average share price at the date of exercise of the options for the year ended March 31, 2017 and March 31, 2015 was Rs. 103/- and Rs 109.75/- respectively.

8.3 **Details of Exercise price and Remaining contractual life of options outstanding:**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Exercise price per option | 103.00 to | 103.00 to | 103.00 | 97.75 | 97.75 |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| (Rs.)<br>(Refer note below) | 350.00 | 350.00 | | | |
| Remaining contractual life of options (in years) | 3.04 to 5.25 | 4.04 to 6.00 | 5.04 to 6.51 | 2.34 | 3.34 |

Note:

Exercise price per option disclosed for the year ended March 31, 2013, 2014, 2015, 2016 and 2017 is after considering adjustments for bonus issues and the consolidation of shares effected during the years ended March 31, 2015 and March 31, 2016 mentioned in notes 5.4, 5.5 and 5.6 in Annexure V.

8.4 **Fair value methodology**

The Company has obtained fair valuation report from an independent valuer and the fair value is calculated using the Black Scholes model.

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Exercise price per option (Rs.) | 350.00 | 210.00 to 350.00 | 103.00 | - | - |
| Weighted average fair value per share | 350.00 | 210.00 to 350.00 | 103.00 | - | - |
| Weighted average fair value of options granted | 25.14 | 28.81 to 94.92 | 83.00 | - | - |
| Expected volatility | 10.00% | 10.00% to 35.57% | 33.33% to 34.21% | - | ` |
| Life of the options granted (vesting and exercise period in years) | 3.50 to 6.50 years | 3.60 to 6.71 Years | 4 to 6.97 years | - | - |
| Average risk free interest rate | 7.13% to 7.54% | 7.63% to 8.06% | 8.57% to 9.11% | - | - |
| Expected dividend yield | 0% | 0% | 0% | - | - |

**Note:**

Exercise price per option, weighted average fair value of options granted and weighted average fair value per share disclosed above are adjusted for bonus issues and the consolidation of shares effected during the year ended March 31, 2015 and March 31, 2016 respectively, mentioned in note 5.4,5.5 and 5.6 in Annexure V.
The Company has not issued any Grants under the Scheme in the financial year ended March 31, 2014 and March 31, 2013.

8.5 The Company follows the intrinsic value model for valuation of its options under various plans. Cost to be accounted as per this model is Rs. Nil. In accordance with Para 48 of the Guidance note on accounting for employee share based payments issued by Institute of Chartered Accountants of India, had the compensation cost for employee stock option plans been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the pro forma amounts of the Company's net profit / (loss) and earnings per share would have been as follows:

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Profit / (Loss) after tax from total operations** | | | | | |
| - As reported | 437.81 | (750.69) | (29.29) | (91.59) | 104.10 |
| - Pro forma | 435.26 | (756.55) | (39.91) | (91.59) | 104.10 |
| | | | | | |
| **Earnings per share in Rs.** | | | | | |
| **Basic** | | | | | |
| - As reported | 23.13 | (50.80) | (2.01) | (6.41) | 7.28 |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| - Pro forma | 22.99 | (51.19) | (2.74) | (6.41) | 7.28 |
| **Diluted** | | | | | |
| - As reported | 20.40 | (50.80) | (2.01) | (6.41) | 4.94 |
| - Pro forma | 20.28 | (51.19) | (2.74) | (6.41) | 4.94 |

There are no unvested options outstanding as on March 31, 2013 and 2014.

## 9 Demerger of property marketing and advisory services business

During the year ended March 31, 2013, the shareholders of the Company approved a composite Scheme of Arrangement and Demerger ("the Demerger Scheme") between the Company and India Property Online Private Limited ("India Property") under which, the property listing and advisory services business ("Demerged Undertaking") of the Company was demerged, transferred to and vested in India Property with effect from April 1, 2012 ("Appointed Date"). The Demerger Scheme was sanctioned by the Hon'ble High Court of Judicature at Madras ("the Court") on February 15, 2013 and registered with the Registrar of Companies on March 1, 2013, thereby becoming effective and binding.

All assets and liabilities of the Demerged Undertaking as at April 1, 2012, were transferred to and vested in India Property on a going concern basis, at their respective book values. The excess of the assets over liabilities of the Demerged Undertaking aggregating to Rs. 4.23 million has been adjusted against Securities Premium account in accordance with the provisions of the Demerger scheme. In consideration of the transfer of the Demerged Undertaking, the shareholders (equity and preference) of the Company were allotted 4,232,297 Equity shares of Re. 1/- each, credited as fully paid up in India Property, in the same proportion in which they held equity shares in the Company.

## 10 Deferred tax:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Deferred tax liability** | | | | | |
| Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 7.67 | 10.25 | - | - | 0.97 |
| **Gross deferred tax liability** | **7.67** | **10.25** | **-** | **-** | **0.97** |
| | | | | | |
| **Deferred tax asset** | | | | | |
| Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | - | - | 1.98 | 1.26 | - |
| Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis | 31.79 | 28.10 | 24.56 | 16.02 | 22.42 |
| Provision for diminution in the value of investment in subsidiaries | 24.83 | 23.00 | - | - | - |
| Provision for doubtful debts and advances | 2.95 | 2.41 | 0.28 | 0.38 | 0.10 |
| Provision for deposits | 0.62 | 0.62 | 0.58 | 0.33 | 0.31 |
| Unabsorbed depreciation carried forward | 43.59 | 56.70 | 43.15 | 25.04 | 6.38 |
| Business losses carried forward | 21.98 | 233.47 | 185.46 | 241.13 | 226.81 |
| **Gross deferred tax asset** | **125.76** | **344.30** | **256.01** | **284.16** | **256.02** |
| | | | | | |
| **Deferred tax asset restricted to** | **7.67** | **10.25** | **-** | **-** | **0.97** |
| **Net deferred tax asset / deferred tax liability** | - | - | - | - | - |

Note:

1) The Company received assessment orders from the Assessing Officer of Income tax for various assessment years 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. 103.30 million, 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. In relation to the other assessment years, the matter is pending with CIT (Appeals). Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceeding would be favourable.

The Company is contesting the demands in relation to other matters raised by the respective tax authorities aggregating to Rs.0.13 million, and the management, including its tax advisers, believes that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

2) In the absence of virtual certainty supported by convincing evidence, deferred tax asset arising on account of the carried forward business losses (including unabsorbed depreciation) and other disallowances has been restricted to the extent of the deferred tax liability, if any.

**11 Commitments, Claims and Other Contingent Liabilities**

**A) Commitments**

**Capital commitments:**

The details of capital commitments as at the balance sheet date are as below:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Capital commitments (net of advances and deposit) | 389.01 | 8.30 | 23.01 | 7.08 | 0.40 |

**Other commitments:**

i) For commitments relating to operating lease, refer note 6 of Annexure IVA.

ii) For commitments relating to litigations, refer note under 11B.

**B) Claims against the Company not acknowledged as debt**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Claims against the Company not acknowledged as debt | - | - | Refer note (i) below | Refer note (i) below | Refer note (i) below |
| Corporate guarantee – on behalf of Matchify Services Private Limited (refer note ii) | - | 0.25 | 0.25 | - | - |
| Corporate guarantee – on behalf of Consim Info USA Inc (refer note i) | 194.43 | 463.54 | - | - | - |

**Note:**

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

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

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

Since the cause of action of this litigation and settlement lies in the USA, Consim US will take primary responsibility for payment of the Settlement Amounts. The settlement cost of USD 8 million has been disclosed as an exceptional item, being non-routine and significant and the same is in line with the treatment of other costs incurred in litigation.

In order to accede to the entry of, and the terms of the Settlement Agreement, the Company along with other defendants entered into an inter-se agreement on December 21, 2015 and subsequently amended on April 29, 2017 ("Inter Se Agreement"). In the Inter Se Agreement, in settlement of any claims that the Company may have against the Promoter in relation to this law suit, the Promoter has agreed to make a voluntary contribution of US$ 2,000,000 ("Voluntary Contribution") to the Company. The Voluntary Contribution will be made by the Promoter upon the Company calling upon the Promoter to pay the Voluntary Contribution on the expiry of 15 months of the date of allotment of its equity shares pursuant to the Initial public offering ("IPO"), and in the event the IPO does not happen by September 30, 2017, no later than March 31, 2018. The Company has not made such claim / call on the Promoter as at the date of these financial statements.

(ii) The Company has provided corporate guarantee to Matchify Services Private Limited (a wholly owned subsidiary) in respect of financial obligation up to Rs. 0.25 million. The corporate guarantee was expired on March 31, 2016.

**C) Other contingent liabilities:**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Service tax | Refer note (i) below | Refer note (i) below | Refer note (i) below | Refer note (i) below | Refer note (i) below |
| FEMA non-compliance | Refer note (iv) below | - | Refer note (ii) below | Refer note (ii) below | Refer note (ii) below |
| Payment of Bonus Act | Refer note (iii) below | Refer note (iii) below | Refer note (iii) below | - | - |

**Note:**

(i) The Company has certain pending litigations with CESTAT, and on a prudent basis, the Company has provided for the service tax liabilities and interest. Further the Company received a demand order from Commissioner of Service tax for the period 2007-08 to 2009-10 under section 78 of the Finance Act regarding non-payment of service tax on import of certain services made during that period. The Company admitted the liability and made payments along with interest. Based on legal consultation, it believes that no provision is required to be made in the books in respect of the penalty of Rs.6.91 million demanded by the authorities.

(ii) The Company has filed compounding application dated May 16, 2015 under Foreign Exchange Management Act, 1999 in response to the compounding memo issued by Reserve Bank of India for the delay in intimation of inward remittance towards investments received from non-resident investors and filing of Form FC-GPR for certain cases. The Reserve Bank of India vide compounding order dated November 6, 2015 charged an amount of Rs 0.82 million towards compounding of contraventions of the provisions of Foreign Exchange Management Act, 1999. The Company has paid the full amount on December 1, 2015.

(iii) During the year ended March 31, 2016, 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.5.50 million. 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.

(iv) In earlier years, the Company and its wholly owned overseas subsidiary had made certain remittances aggregating to USD 0.004 million towards equity capital for the incorporation of two entities. The said two companies did not commence commercial operations and one of which was liquidated in 2013. During October 2016, the Company received a communication from the Reserve Bank of India (“RBI”) intimating the Company on their contraventions to the provisions of the Foreign Exchange Management Act, 1999 (‘FEMA Regulations’) in respect of these remittances made in earlier years. The Company has filed applications with RBI for compounding of these offences pursuant to the applicable provisions of FEMA Regulations. Based on the communication received from the RBI on this matter and the nature of these contraventions, management believes that the matter will not have any material impact on the financial statements.

(v) For Income tax related matters refer note 10.

**12 Specified Bank Notes (SBNs)**

The Company’s operations are spread across more than 140 retail outlets across various States in India. Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, the Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in Specified Bank Notes post November 8, 2016. Further, the collections in cash made during this period were substantially lower than that of the same period in the previous year and overall, contribute an insignificant portion of the revenues / collections of the Company.

The Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by the Company during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. The below information has been compiled based on the information presently available from the Company’s books of accounts and other records (including cash deposit challans to the extent available). The Company has also sought further information from the bankers of the Company which is awaited as of the date of approval of these financial statements.

| Particulars | SBNs* | Other Denomination Notes | Total |
|---|---|---|---|
| Closing cash in hand as on November 08, 2016 | 3,640,500 | 420,980 | 4061480 |

| Particulars | SBNs* | Other Denomination Notes | Total |
|---|---|---|---|
| (+) Permitted receipts | - | 39,213,300 | 39,213,300 |
| (-) Permitted Payments | - | - | - |
| (-) Amount deposited in Banks | 3,640,500 | 37,131,845 | 40,772,345 |
| **Closing cash in hand as on December 30, 2016** | **-** | **2,502,435** | **2,502,435** |

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

## 13 Change in business model

Until December 14, 2015, Consim Info USA Inc, USA ("Consim US") was engaged in the provision of agency services to the Company in relation to the overseas matchmaking business ("NRI Business") of the Company. Consim US was also engaged in providing marketing support and collection of subscription money from customers. However, with effect from December 15, 2015, owing to the change in business strategy, the Company commenced operating under a 'Business license' model instead of the erstwhile 'agency' model. Under the new business model, Consim US shall operate the NRI Business on its own account and receive the subscription money from NRI matchmaking customers. Further Consim US performs significant functions in relation to the NRI Business and bear the consequent risks of its operations. In order to facilitate such change, the Company entered in to a Business License Agreement for use of the Company's brand, domain names and also avail the database / portal access. In addition to it, the Company has also entered in to Shared Service Arrangement for infrastructure and marketing support. Consequent to the change in the model, the Company has re-classified the operations of Consim US as a non-integral foreign operation from an integral foreign operation in accordance with Accounting Standard – 11 and the exchange differences arising on translation of Consim US operations of Rs. 0.92 million have been accumulated in the foreign currency translation reserve as on March 31, 2016 and Rs. (2.87) million have been accumulated as on March 31, 2017.

As per our report of even date

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

**Shankar Srinivasan**
Partner
Membership No: 213271

Place: Mumbai
Date: April 29, 2017

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

**Murugavel Janakiraman**
Managing Director

**Avneet Singh Kochar**
Director

**K Balasubramanian**
Chief Financial Officer

**S Vijayanand**
Company Secretary

**Matrimony.com Limited**
**Annexure IV B - Notes on material adjustments**

The summary of results of restatement made in the audited financial statements for the respective years and its impact on the profit / (loss) of the Group is as follows:

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **(A) Net profit / (loss) as per audited financial statements** | 437.81 | (750.69) | (29.29) | (91.59) | 104.10 |
| | | | | | |
| Adjustments (Refer Note A below) | - | - | - | - | - |
| | | | | | |
| **Restated profit** | **437.81** | **(750.69)** | **(29.29)** | **(91.59)** | **104.10** |

**Explanatory notes:**

A) The restated consolidated summary statements for the year ended March 31, 2013 to 2016 have been prepared on the basis of the audited consolidated financial statements of each year that were all approved by the Board of Directors in their meeting held on August 5, 2015. Accordingly, the items appearing as adjustments in the unconsolidated summary financial statements, as detailed below, have been adjusted in the audited consolidated financial statements of the respective years as adjusting subsequent events in accordance with Accounting Standard - 4 “Contingencies and Events Occurring After the Balance Sheet Date” and hence, there are no other adjustments that are required to be made in the Restated Consolidated Summary Statements.

**(i) Revenue recognition:**

Up to the year ended March 31, 2012, the Company recognised the subscription revenues by allocating the same over the subscription period in terms of months rather than day basis. During the year ended March 31, 2013, the Company rectified the same by recognising the subscription income over the subscription period in terms of days. The impact of such adjustment amounted to Rs. 70.14 million which was recognised as prior period item in the audited financial statements for the year ended March 31, 2013 has been considered to arrive at the opening reserves as at April 1, 2012.

**(ii) Straight lining of operating leases:**

During the year ended March 31, 2013, the Company made adjustment towards the accrual of lease rent cost not recognised in the previous year by straight-lining the lease payments over the duration of the operating leases. The impact of such adjustment amounted to Rs. 5.61 million which was recognised as prior period expense in the audited financial statements for the year ended March 31, 2013, has been adjusted in the respective years and has been considered to arrive at the opening reserves as at April 1, 2012.

**(iii) There are no other adjustments required to be made in the restated consolidated summary financial statements.**

B) **Audit qualifications included in the Auditor’s report pursuant to Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 on the consolidated financial statements for the financial years ended 2017 and in the Annexure to the Auditor’s report issued under Companies (Auditor’s Report) Order, 2015 for the financial year ended March 31, 2015 which do not require any corrective adjustment in the financial information, are as follows:**

**Auditor’s report pursuant to Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 for the financial year ended March 31, 2017**

The Holding Company and its subsidiaries incorporated in India, have provided requisite disclosures in Note 34 to these consolidated financial statements as to the holding of Specified Bank Notes (SBNs) on

November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more fully described in Note 34 to these consolidated financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the Group and produced to us for verification by the Management of the Holding Company.

The aforesaid Note 34 to the consolidated financial statements for the year ended March 31, 2017 has been reproduced in Note 12 of Annexure IV A to the Restated Consolidated Summary Statements.

**Annexure to auditor's report for the financial year ended March 31, 2015**

(i) Clause (viii)

The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company has incurred cash loss.

**C) Change in accounting policy**

During the year ended March 31, 2015, in view of certain new products launched by the company and based on the internal structure and evaluation of risks and rewards of the various section of the business, the company has identified three business segments viz. "Matchmaking Services", "Marriage services and related sale of products" and "Others" segments as the primary reportable segments.

In the financial statements for the year ended March 31, 2015, this change in identification of segments has been identified as change in accounting policy.

The disclosure of segment information for the earlier years presented have also been restated and disclosed in accordance with the revised segment policy in these Restated Consolidated Summary Statements.

**D) Material Regroupings**

Appropriate adjustments have been made in the restated consolidated summary statements of Assets and Liabilities, Profit and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended March 31, 2017, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended.

**E) Non adjusting items**

During the year ended March 31, 2013, the Company revised the estimated useful life of furniture and fixtures, office equipment, vehicles and leasehold improvements, which has resulted in additional charge of depreciation amounting to Rs. 12.66 million in that year. Further, during the year ended March 31, 2015, the Company revised the estimated useful lives of Computers and Network Equipment which has resulted in additional charge of depreciation amounting to Rs. 9.05 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

As per our report of even date

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

**Shankar Srinivasan**
Partner

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

**Murugavel Janakiraman**
Managing Director

**Avneet Singh Kochar**
Director

Membership No: 213271

| | | |
|---|---|---|
| Place: Mumbai | **K Balasubramanian** | **S Vijayanand** |
| Date: April 29, 2017 | Chief Financial Officer | Company Secretary |

**Matrimony.com Limited**
**Annexure V - Restated consolidated statement of share capital**

(All amounts are in INR million unless otherwise stated)

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Share capital** | | | | | |
| **Authorised** | | | | | |
| 36,000,000 Equity shares of Rs.5/- each (March 31, 2016: 36,000,000 Equity shares of Rs.5/- each; March 31, 2015: 60,000,000 Equity shares of Rs.3/- each; March 31, 2014: 40,000,000 equity shares of Rs. 3/- each; March 31, 2013: 40,000,000 equity shares of Rs. 3/- each) | 180.00 | 180.00 | 180.00 | 120.00 | 120.00 |
| 4,200,000 OCPS/CCPS of Rs.5/- each (March 31, 2016: 4,200,000 (OCPS)/(CCPS) of Rs.5/- each: March 31, 2015: 7,000,000 (OCPS)/(CCPS) of Rs.3/- each: March 31, 2014: 7,000,000 OCPS/CCPS of Rs. 3/- each; March 31, 2013: 7,000,000 OCPS/CCPS of Rs. 3/- each;) | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 |
| **Total** | **201.00** | **201.00** | **201.00** | **141.00** | **141.00** |
| | | | | | |
| **Issued, subscribed and fully paid-up** | | | | | |
| 21,241,591 Equity shares of Rs.5/- each (March 31, 2016: 14,778,256 Equity shares of Rs.5/- each; March 31, 2015: 24,630,426 Equity shares of Rs.3/- each; March 31, 2014: 13,463,632 equity shares of Rs. 3/- each; March 31, 2013: 13,463,632 equity shares of Rs. 3/- each) | 106.21 | 73.89 | 73.89 | 40.39 | 40.39 |
| Nil OCPS of Rs. 3/- each (March 31, 2014: 43,078 OCPS of Rs. 3/- each; March 31, 2013: 43,078 OCPS of Rs. 3/- each (Series - A) | - | - | - | 0.13 | 0.13 |
| Nil CCPS of Rs.5/- each (March 31, 2016: 1,932,300 CCPS of Rs.5/- each) (Series - A) (March 31, 2015: 3,220,500 CCPS of Rs.3/- each) (March 31, 2014: 3,317,110 CCPS of Rs.3/- each; March 31, 2013: 3,317,110 CCPS of Rs.3/- each) | - | 9.67 | 9.67 | 9.95 | 9.95 |
| Nil CCPS of Rs.5/- each (Series - B) (March 31, 2016: 1,420,552 CCPS of Rs.5/- each) (March 31, 2015: 2,367,586 CCPS of Rs.3/- each) (March 31, 2014: 2,545,842 CCPS of Rs. 3/- each; March 31, 2013: 2,545,842 CCPS of Rs. 3/- each) | - | 7.10 | 7.10 | 7.64 | 7.64 |
| Nil CCPS of Rs.5/- each (Series - C) (March 31, 2016: 254,872 CCPS of Rs.5/- each) (March 31, 2015: 424,788 CCPS of Rs.3/- each) (March 31, 2014: 424,788 CCPS of Rs. 3/- each; March 31, 2013: 424,788 CCPS of Rs. 3/- each) | - | 1.27 | 1.27 | 1.27 | 1.27 |
| **Total** | **106.21** | **91.93** | **91.93** | **59.38** | **59.38** |

**Notes:**

**1 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.

**2 Terms of conversion of CCPS**

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

Consequent to the grant of bonus shares to equity shares holders as detailed in notes 5.4 and 5.5 below, the conversion ratio for such CCPS were revised in accordance with the terms of the underlying agreements to stand at 1.77 resultant equity shares for every preference share held in the Company.

**3** The Company has not issued shares for consideration other than cash, except for bonus shares and conversion of preference shares into equity shares mentioned in note, 5.4, 5.5 and 5.6 below.

**4** For details of shares reserved for issue under the employee stock option scheme of the Company, please refer note 8 in Annexure IV-A.

**5 Details of shares transactions during year ended March 31, 2017, 2016, 2015, 2014 and 2013**

5.1 On December 31, 2014, the authorised share capital of the Company has been increased from Rs. 141.00 million (including 40,000,000 equity shares of Rs. 3/- and 70,00,000 OCPS/CCPS of Rs. 3/- each ) to Rs. 201.00 million (including 600,00,000 equity shares of Rs. 3/- each and 70,00,000 equity shares of Rs. 3/- each).

5.2 On November 26, 2014, the Company has converted 1,254 (Series - A) OCPS of face value Rs. 3/- each, 96,610 (Series - A) CCPS of face value Rs. 3/- each and 1,78,256 (Series - B) CCPS of face value Rs. 3/- each into equal number of equity shares of face value of Rs. 3/- each.

5.3 On December 30, 2014, the Company issued 49,783 fully paid-up equity shares of face value Rs. 3/- per share on preferential basis.

5.4 On December 31, 2014, the Company issued bonus shares to the existing shareholders, in the ratio of 18:100. The Securities premium account was utilised to the extent of Rs. 7.47 million for the issue of said bonus shares.

5.5 On January 27, 2015, the Company issued bonus shares to the existing shareholders, in the ratio of 1:2. The Securities premium account was utilised to the extent of Rs. 24.48 million for the issue of said bonus shares.

5.6 On August 05, 2015, in Extraordinary General Meeting, the Shareholders have approved the consolidation of the 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.

5.7 On August 10, 2016, in the Annual General Meeting held, the Shareholders approved the allotment of equity shares pursuant to conversion of 2,609,106 & 998,618 Compulsorily Convertible Preference Shares of Rs. 5/- each held by CMDB II & Mayfield XII, Mauritius respectively. The conversion ratio approved by the Shareholders is 1.77:1. Accordingly, 4,618,118 & 1,767,554 new equity shares of Rs. 5/- each have been issued and allotted to CMDB II & Mayfield XII, Mauritius respectively as fully paid up. There are no outstanding Compulsorily Convertible Preference Shares post conversion.

5.8 The Company issued 116,528 and 77,663 equity shares under employee stock option plan at price of Rs 109.75/- (Face value Rs 3/- per share) and Rs. 103/- (face value Rs. 5/- per share) during the year ended March 31, 2015 and March 31, 2017 respectively.

5.9 Consequent to the consolidation of shares mentioned in 5.6 above, 12 equity shares representing fractions of less than one equity share of Rs. 5/- each have been transferred to Mr. Murugavel Janakiraman, Promoter and Managing Director, who will act as a trustee for and on behalf of such equity shareholders holding fractional shares.

**Matrimony.com Limited**
**Annexure VI - Restated consolidated statement of reserves and surplus**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Capital reserve** | | | | | |
| Balance as per last financial statements (Refer note 9 below) | - | - | - | - | - |
| Add: adjustment to profits/losses | - | - | - | - | - |
| **Closing balance** | **-** | **-** | **-** | **-** | **-** |
| | | | | | |
| **B. Securities premium account** | | | | | |
| Balance as per last financial statements | 21.51 | 21.51 | 11.28 | 936.68 | 940.91 |
| Add: receipt on issue of equity and preference shares | - | - | 37.69 | - | - |
| Add: additions on ESOP exercised | 7.61 | - | 4.59 | - | - |
| Less: amounts adjusted on capital restructuring (refer note 3 below) | - | - | - | (925.40) | - |
| Less: utilised for bonus shares issued (refer note 4 & 5 below) | - | - | (31.95) | - | - |
| Less: utilised for bonus shares issued on conversion of preference shares (refer note 6 & 7 below) | (13.89) | - | (0.10) | - | - |
| Less: adjustment related to demerger (refer note 9 of Annexure IV A) | - | - | - | - | (4.23) |
| **Closing balance** | **15.23** | **21.51** | **21.51** | **11.28** | **936.68** |
| | | | | | |
| **C. Deficit i.e. the balance in statement of profit and loss as restated** | | | | | |
| Balance as per last financial statements as restated | (873.43) | (122.74) | (92.57) | (926.37) | (1,030.47) |
| Add: amounts adjusted on capital restructuring (refer note 3 below) | - | - | - | 925.40 | - |
| Less: Amount adjusted as per the transitional provisions of Schedule II of the Companies Act, 2013. | - | - | (0.88) | - | - |
| Add: restated profit /(loss) for the year | 437.81 | (750.69) | (29.29) | (91.59) | 104.10 |
| **Net deficit in the statement of profit and loss as restated** | **(435.62)** | **(873.43)** | **(122.74)** | **(92.56)** | **(926.37)** |
| | | | | | |
| **Foreign Currency Translation Reserve** | | | | | |
| Balance as per last financial statements | **(0.92)** | - | | | |
| Translation during the year | **3.78** | (0.92) | | | |
| **Closing balance** | **2.86** | **(0.92)** | | | |
| **Total (A+B+C)** | **(417.53)** | **(852.84)** | **(101.23)** | **(81.28)** | **10.31** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A and IV B.

3) During the year ended March 31, 2014, the Company submitted a petition to the Hon'ble High Court of Judicature at Madras u/s 78 read with sections 100 to 105 of the Companies Act, 1956 to set-off the accumulated book losses as at March 31, 2013 amounting to Rs. 925.40 million against the unutilised portion of the "Securities Premium" as at March 31, 2013. The same has been approved by the Hon'ble High court on December 20, 2013. Pursuant to which the amount of Rs. 925.40 million has been adjusted in books against Securities Premium.

4) On December 31, 2014 Company issued bonus shares to the existing shareholders, in the ratio of 18:100 and securities premium account was utilised to the extent of Rs. 7.47 million for such issue.

5) On January 27, 2015, the Company issued bonus shares to the existing shareholders, in the ratio of 1:2 and securities premium account was utilised to the extent of Rs. 24.48 million for such issue.

6) On March 15, 2015, the Company converted 41,824 optionally convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 0.10 million for the conversion.

7) On August 10, 2016, the Company converted 3,607,724 compulsory convertible preference shares into 6,385,672 equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 13.89 million for such conversion.

8) During the year ended March 31, 2012, the Company issued bonus shares in the ratio of 77:1 to all the shareholders of the Company. The equity shareholders were issued additional equity shares and the preference shareholders were issued additional compulsorily convertible preference shares as per the bonus ratio.

9) Capital Reserve as on April 1, 2013 was rupees Four thousand three hundred and seventy two, and the same has been transferred to profit and loss account on sale of the Company's holding in Infonauts Inc., USA (Also refer note 5 of Annexure XVII).

**Matrimony.com Limited**
**Annexure VII - Restated consolidated statement of long-term and short-term borrowings**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **A. Long-term borrowings** | | | | | |
| **Secured** | | | | | |
| Vehicle loan (refer note 5 below) | 1.56 | 5.05 | 8.21 | - | - |
| Less: Current maturities of long term debts (refer annexure IX(B)) | (1.56) | (3.49) | (3.19) | - | - |
| | **-** | **1.56** | **5.02** | **-** | **-** |
| | | | | | |
| **B. Short-term borrowings** | | | | | |
| **Secured** | | | | | |
| Bank overdraft (refer note 6 below) | 443.76 | 481.93 | 267.27 | 148.13 | 254.98 |
| | **443.76** | **481.93** | **267.27** | **148.13** | **254.98** |
| | | | | | |
| **Total (A+B)** | **443.76** | **483.49** | **272.29** | **148.13** | **254.98** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

3) There are no unsecured loans availed by the Group.

4) There are no loans taken from Directors/ Promoters/ Promoter Group Companies/ Relatives of Promoters/ Relatives of directors.

5) The vehicle loan amounting to Rs. 10.00 million has been sanctioned by HDFC Bank which carries an interest rate of 10.01% p.a and is secured by hypothecation of vehicle. The said loan is repayable in 36 equated monthly installments commencing from September 5, 2014.

6) As of March 31, 2017, the Overdraft facility is maintained with HDFC Bank which carries an interest rate of 9.00 % p.a and is repayable on demand. The said facility is secured by hypothecation of all current assets of the Company as a primary security. In addition to it, as a collateral security, fixed deposits of Rs. 500 million along with the applicable accrued interest on the said fixed deposits have been lien marked in favour of the Bank along with the personal guarantee of the promoter and managing director of the Company.

7) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure VIII - Restated consolidated statement of other long- term liabilities and long-term provisions**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Other long term liabilities** | | | | | |
| Deferred revenue | 2.51 | 10.81 | 11.33 | 0.11 | 0.19 |
| Security deposits | - | - | 0.04 | 0.04 | 0.06 |
| Dues to related parties (refer note 3 below) | - | - | 23.45 | 52.29 | - |
| Settlement payables (refer note (i) to 11(B) of Annexure IV A) | - | 198.66 | | | |
| **Total Other long term liabilities** | **2.51** | **209.47** | **34.82** | **52.44** | **0.25** |
| | | | | | |
| **B. Long-term Provisions** | | | | | |
| Provision for gratuity | 19.51 | 16.30 | 15.01 | 12.29 | 11.10 |
| **Total long-term provisions** | **19.51** | **16.30** | **15.01** | **12.29** | **11.10** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

3) There are no amounts due to Directors/ Promoters/ Promoter Group Companies/ Group Companies/ Enterprises Holding Significant Influence / Relatives of Promoters/ Relatives of directors.

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Canaan VII, Mauritius | - | - | 23.45 | 52.29 | - |
| | **-** | **-** | **23.45** | **52.29** | **-** |

4) The list of persons / entities classified as "Promoters and Promoter Group Companies has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure IX - Restated consolidated statement of trade payables, other current liabilities and short term provisions**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Current liabilities (other than short-term borrowings)** | | | | | |
| **A. Trade payables** | | | | | |
| Total outstanding dues of trade payables other than micro and small enterprises (refer Annexure IVA note 7 for dues to micro and small enterprises) | 122.96 | 308.64 | 190.22 | 211.99 | 186.94 |
| Dues to employees | 40.70 | 43.52 | 29.04 | 17.83 | 7.96 |
| Dues to related parties (refer note 5 below) | - | - | 7.23 | - | - |
| **Total trade payables (A)** | **163.66** | **352.16** | **226.49** | **229.82** | **194.90** |
| | | | | | |
| **B. Other current liabilities** | | | | | |
| Current maturities of long term debts | 1.56 | 3.49 | 3.19 | - | - |
| Deferred revenue | 579.67 | 526.27 | 378.40 | 334.74 | 284.74 |
| Share application money refundable (refer note 3) | - | - | - | 19.20 | - |
| Advances from customers | 8.88 | 11.26 | 4.93 | 2.96 | 6.12 |
| Withholding and other taxes payable | 18.91 | 26.77 | 22.31 | 15.78 | 19.74 |
| Payables for capital purchases | 13.91 | 50.38 | 3.10 | 7.80 | 7.56 |
| Dues to related parties (refer note 5 below) | - | - | 31.27 | 1.49 | - |
| Settlement payables (refer note (i) to 11(B) of Annexure IV A) | 194.43 | 264.88 | | | |
| **Total other current liabilities (B)** | **817.36** | **883.05** | **443.20** | **381.97** | **318.16** |
| | | | | | |
| **C. Short-term provisions** | | | | | |
| Provision for gratuity | 19.21 | 14.63 | 12.10 | 9.89 | 8.16 |
| Provision for leave benefits | 19.55 | 20.02 | 17.18 | 14.55 | 18.68 |
| Provision for litigations (refer note 4 below) | 19.38 | 17.62 | 17.62 | 1.33 | 25.05 |
| **Total short-term provisions (C)** | **58.14** | **52.27** | **46.90** | **25.77** | **51.89** |
| | | | | | |
| **Total current liabilities (A+B+C)** | **1039.16** | **1,287.48** | **716.59** | **637.56** | **564.95** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

3) During the year ended March 31, 2014, the Company received share application money from its promoter (Mr. Murugavel Janakiraman) and the same has been subsequently refunded during the year ended March 31, 2015.

4) **Details of provision for litigation**:

The movement of provision for litigation in respect of each of the years is given below:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Opening balance | 17.62 | 17.62 | 1.33 | 25.05 | 28.61 |
| Additions | 1.76 | - | 16.29 | 0.75 | 3.21 |
| Utilisation / payment | - | - | - | (24.47) | (6.77) |
| Closing balance | **19.38** | **17.62** | **17.62** | **1.33** | **25.05** |

(a) **Service tax**: The Company has made a provision of Rs. 1.33 million for certain disputed liabilities relating to service tax.

(b) **EPF**: The Company received a demand order dated March 17, 2015 from Regional Commissioner of Provident Fund, on account of non- inclusion of various allowances for the calculation of PF contribution for the period April 2012 to May 2014. The Company has obtained a stay order from the Honourable High Court of Madras. The Company has also appealed against the order with PF Appellate Tribunal. Since various high courts have rendered different judgments which are in conflict to each other and the matter is now pending with the Honourable Supreme Court, as a matter of prudence the Company has provided for the demand of Rs. 16.29 million and other related liabilities of Rs 1.76 million.

5) Amounts due to Directors/ Promoters/ Promoter Group Companies/ Group Companies/ Enterprises Holding Significant Influence / Relatives of Promoters/ Relatives of directors:

| **Particulars** | **As at** | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| India Property Online Private Limited | - | - | 7.23 | - | - |
| Canaan VII, Mauritius | - | - | 31.27 | 1.49 | - |
| Mr. Murugavel Janakiraman | - | - | - | 19.20 | - |
| | **-** | **-** | **38.50** | **20.69** | **-** |

6) The list of persons /entities classified as "Promoters and Promoter group Companies" have been determined by the management and relied upon by the auditors.

**Matrimony.com Limited**
**Annexure X - Restated consolidated statement of non-current investments**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Non Trade Investments** | | | | | |
| **Investment in Unquoted equity instruments** | | | | | |
| Perspi Interactive Private Limited | | | | | |
| - 300,000 equity shares of Re. 1/- each fully paid up | - | - | - | 0.30 | 0.30 |
| **Total non-current investments** | **-** | **-** | **-** | **0.30** | **0.30** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

3) Also refer note 4(a) in Annexure IVA.

**Matrimony.com Limited**
**Annexure XI - Restated consolidated statement of long-term loans and advances**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Long term loans and advances** | | | | | |
| Unsecured, considered good | | | | | |
| Security deposits | 114.71 | 66.18 | 86.76 | 110.80 | 114.13 |
| Other loans and advances**:** | | | | | |
| Advance taxes (net of provision for taxes) | 38.63 | 36.16 | 29.40 | 27.71 | 15.82 |
| MAT Credit Entitlement | 15.00 | - | - | - | - |
| Capital advances | 11.66 | 1.62 | - | - | - |
| Prepaid expenses | 3.08 | 0.37 | 0.12 | 0.05 | 0.22 |
| Balances with statutory/ Government authorities | 7.35 | 7.35 | 7.35 | 7.35 | 7.35 |
| **Total Long-term loans and advances** | **190.43** | **111.68** | **123.63** | **145.91** | **137.52** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) There are no long term loans and advances outstanding from Directors/ Promoters/ Promoter Group Companies/ Relatives of Promoters/ Relatives of directors.

4) The list of persons /entities classified as "Promoters and Promoter Group Companies has been determined by the management and relied upon by the Auditors

**Matrimony.com Limited**
**Annexure XII - Restated consolidated statement of trade receivables (net of provision for doubtful receivables)**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Outstanding for a period exceeding six months from the date they are due for payment | | | | | |
| - considered good | - | - | - | - | - |
| - considered doubtful | 7.60 | 1.24 | 0.85 | 1.18 | 0.32 |
| | **7.60** | **1.24** | **0.85** | **1.18** | **0.32** |
| Less: Provision for doubtful receivables | 7.60 | 1.24 | 0.85 | 1.18 | 0.32 |
| | | | | | |
| Other trade receivables (i.e., less than six months) | | | | | |
| - considered good | 21.57 | 18.96 | 10.20 | 15.52 | 13.15 |
| - considered doubtful | 0.60 | 5.73 | - | - | - |
| | **22.17** | **24.69** | **10.20** | **15.52** | **13.15** |
| Less: Provision for doubtful receivables | 0.60 | 5.73 | - | - | - |
| | **21.57** | **18.96** | **10.20** | **15.52** | **13.15** |
| **Total** | **21.57** | **18.96** | **10.20** | **15.52** | **13.15** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

3) There are no amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors.

4) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure XIII - Restated consolidated statement of cash and bank balances**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Cash and cash equivalents** | | | | | |
| Balances with banks on current accounts | 50.36 | 57.20 | 73.26 | 13.61 | 16.16 |
| Deposits with original maturity of less than three months (refer note 3 below) | 240.00 | 161.00 | 30.00 | - | - |
| Cheques on hand | 4.48 | 4.22 | 3.61 | 3.56 | 1.58 |
| Cash on hand | 4.00 | 5.65 | 5.86 | 5.25 | 3.47 |
| | **298.84** | **228.07** | **112.73** | **22.42** | **21.21** |
| **Other bank balances** | | | | | |
| Deposits with original maturity for more than 12 months (refer note 3 below) | 0.08 | 0.08 | 10.00 | - | 30.00 |
| Deposits with original maturity of more than 3 months but less than 12 months (refer note 3 below) | 281.21 | 355.69 | 408.51 | 350.62 | 267.08 |
| **Total cash and bank balances** | **580.13** | **583.84** | **531.24** | **373.04** | **318.29** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

3) These deposits are held as security against short-term borrowings.

**Matrimony.com Limited**

**Annexure XIV - Restated consolidated statement of short-term loans and advances and other current assets**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-16 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Short term loans and advances** | | | | | |
| Unsecured, considered good | | | | | |
| Security deposit | 11.87 | 68.46 | 37.87 | 16.72 | 14.89 |
| Loans and advances to related parties (refer note 4 below) | - | - | - | 6.83 | 211.44 |
| Prepaid expense | 12.43 | 9.90 | 8.58 | 5.50 | 4.41 |
| Loans to employees | 2.78 | 3.37 | 5.19 | 1.98 | 1.29 |
| Balances with statutory/ Government Authorities | 1.81 | 12.80 | 8.02 | 5.18 | 5.85 |
| Advances for supply and services | 10.17 | 15.19 | 32.45 | 15.66 | 11.57 |
| **Total short-term loans and advances** | **39.06** | **109.72** | **92.11** | **51.87** | **249.45** |
| | | | | | |
| **B. Other current assets** | | | | | |
| Interest accrued on fixed deposit | 24.42 | 19.17 | 17.99 | 3.70 | 3.47 |
| Share issue expenses (to the extent not written off or adjusted) Refer note 3 below | 87.29 | 103.57 | 16.28 | - | - |
| Unbilled revenues | - | - | - | 0.04 | - |
| Other receivable from related parties (refer note 4 below) | 8.36 | 7.07 | 0.46 | - | - |
| **Total other current assets** | **120.07** | **129.81** | **34.73** | **3.74** | **3.47** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) The Company had filed Draft Red Herring Prospectus (DRHP) on August 18, 2015. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 has decided to proceed with the IPO activity and file the DRHP during first quarter of 2017-18. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 46.07 million is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item. The issue expenses on the consummation of the IPO will be shared between the Company and the selling shareholders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling shareholders in the offer for sale.

4) Amounts due from Directors/ Promoters/ Promoter Group Companies/ Relatives of Promoters/ Relatives of directors:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| India Property Online Private Limited | 8.36 | 7.07 | 0.46 | 6.83 | 211.25 |
| Infonauts Inc. | - | - | - | - | 0.19 |
| | **8.36** | **7.07** | **0.46** | **6.83** | **211.44** |

5) The list of persons /entities classified as "Promoters and Promoter Group Companies has been determined by the management and relied upon by the Auditors

**Matrimony.com Limited**
**Annexure XV - Restated consolidated statement of other income**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | | Nature | |
|---|---|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** | **Recurring/ Non-recurring** | **Related/Not related to business activity** |
| Liabilities no longer required written back | 0.24 | 0.73 | 1.05 | 5.90 | 0.56 | Recurring | Related |
| Seat sharing revenue | 0.50 | 5.11 | 8.25 | 10.82 | - | Recurring | Not related |
| Premium on redemption of preference shares | - | - | - | 0.84 | - | Non - recurring | Not related |
| Miscellaneous income | 0.37 | 0.25 | 4.99 | 1.20 | 1.20 | Recurring | Not related |
| **Total Other Income** | **1.11** | **6.09** | **14.29** | **18.76** | **1.76** | | |

**Note:**

1) The classification of other income as recurring/non-recurring, related/not related to business activity is based on the current operations and business activity of the Group as determined by the management.

2) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the Group.

3) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

**Matrimony.com Limited**
**Annexure XVI - Restated consolidated statement of operating expenses**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Employee benefit expenses** | | | | | |
| Salaries, wages and bonus | 1,043.68 | 1,124.49 | 952.98 | 795.44 | 674.91 |
| Contribution to provident and other fund | 72.42 | 75.55 | 61.09 | 45.27 | 41.90 |
| Gratuity expense (refer Annexure IV A (5)) | 11.81 | 9.86 | 8.62 | 7.42 | 6.95 |
| Staff welfare expenses | 30.45 | 31.20 | 27.41 | 24.62 | 17.24 |
| Recruitment and training | 7.49 | 11.42 | 9.18 | 6.14 | 9.91 |
| **Total employee benefit expenses** | **1,165.85** | **1,252.52** | **1,059.28** | **878.89** | **750.91** |
| | | | | | |
| **B. Advertisement and business promotion expenses** | | | | | |
| Advertisement | 476.68 | 504.96 | 502.59 | 469.06 | 450.63 |
| Business promotion expenses | 45.62 | 33.64 | 29.93 | 12.32 | 11.77 |
| **Total advertisement and business promotion expenses** | **522.30** | **538.60** | **532.52** | **481.38** | **462.40** |
| | | | | | |
| **C. Other expenses** | | | | | |
| Web hosting charges | 71.28 | 111.92 | 99.91 | 93.59 | 74.58 |
| Electricity | 48.16 | 52.36 | 47.59 | 43.85 | 41.33 |
| Rent and amenities | 174.65 | 181.92 | 190.23 | 181.98 | 165.49 |
| Rates and taxes | 4.10 | 4.20 | 6.26 | 9.95 | 11.78 |
| Insurance | 7.98 | 7.57 | 5.96 | 5.77 | 3.96 |
| Repairs and maintenance – others | 54.51 | 52.16 | 43.47 | 40.47 | 24.06 |
| Travelling and conveyance | 32.60 | 42.27 | 42.77 | 37.31 | 34.06 |
| Communication costs | 84.07 | 81.27 | 75.46 | 71.01 | 68.80 |
| Printing and stationery | 2.53 | 3.49 | 3.67 | 2.52 | 4.20 |
| Legal and professional fees | 44.03 | 38.80 | 32.81 | 27.29 | 31.80 |
| Directors' sitting fees | 3.20 | 4.40 | 1.20 | - | - |
| Exchange differences (net) | 7.35 | 10.43 | 7.63 | 8.41 | 4.40 |
| Provision for doubtful debts and advances | 5.29 | 6.24 | 10.14 | 1.05 | 0.38 |
| Provision for litigation (Refer Annexure IX) | 1.76 | - | 16.29 | - | - |
| Loss on sale / write off of Property, Plant and Equipment (net) | 1.56 | 3.64 | 9.71 | 8.09 | 5.31 |
| Collection charges | 67.77 | 53.15 | 40.09 | 36.84 | 33.65 |
| Photography service charges | 33.64 | 32.83 | 0.95 | - | - |
| Miscellaneous expenses | 4.63 | 4.21 | 5.44 | 4.07 | 6.28 |
| **Total other expenses** | **649.11** | **690.86** | **639.58** | **572.20** | **510.08** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) Employee benefit expenses paid to Directors/ Promoters/ Relatives of Promoters/ Relatives of directors:

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Mr. Murugavel Janakiraman | 13.94 | 11.68 | 8.40 | 8.64 | 9.00 |
| Mr. Ravi Janakiraman | 0.96 | 0.90 | 0.87 | 0.82 | 0.75 |
| | **14.90** | **12.58** | **9.27** | **9.46** | **9.75** |

4) The list of persons /entities classified as "Promoters and Promoter Group Companies has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure XVII - Restated consolidated statement of exceptional items**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Loss / (Profit) from disposal of subsidiaries / non - current investments (refer note 3, 4, 5 and 6 below) | (2.35) | - | (4.46) | - | (13.07) |
| Legal costs incurred on litigation (refer note 7 below) | - | 206.69 | 146.24 | 188.97 | 31.65 |
| Settlement cost (refer note 8 below) | - | 530.97 | - | - | - |
| IPO related expenses charged off (refer Annexure XIV note 3) | 46.07 | - | - | - | - |
| **Total exceptional items** | **43.72** | **737.66** | **141.78** | **188.97** | **18.58** |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of profits and losses of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) On September 8, 2015, the shareholders of BharatMatrimony LLC, Dubai in their Extraordinary General Meeting decided to dissolve and liquidate BharatMatrimony LLC, Dubai. Accordingly the trade license cancellation with Government of Dubai has been applied and the same has been obtained on April 25, 2016. Profit from liquidation has been disclosed as exceptional item as the amount is significant and non-recurring in nature.

4) Pursuant to a share purchase and share holders' agreement dated March 21, 2012 entered into with certain buyers, the Company disposed off 67,700 equity shares out of 367,700 equity shares in Perspi Interactive Private Limited ("Perspi") to such buyers for a consideration of Rs. 1.07 million. On April 27, 2012, consequent to the additional investment made by the buyers in Perspi, the shareholding of the Company in Perspi has reduced from 81.59% in March 2012 to 24%. Accordingly, it ceased to be a wholly owned subsidiary and the excess of liabilities over assets of Rs. 14.30 million has been considered as a deemed profit on disposal of subsidiary. Further vide share purchase agreement dated September 1, 2014, the Company disposed off the remaining 300,000 equity shares in Perspi and the profit earned on account of such disposal is Rs. 4.00 million. Since these disposals are non-routine in nature, the same has been classified under exceptional items.

5) During the year ended March 31, 2013, the Company transferred its holding in Infonauts Inc, USA to the promoter of the Company for a consideration of Rs. 0.14 million. The excess of net assets over purchase consideration of Infonauts Inc., on the date of disposal of Rs. 1.23 million has been recognised as loss and classified under exceptional items, being non-routine in nature.

6) In December 2014, the Company entered into a sale agreement with certain buyers to sell the entire investment held in MatrimonyGifts Wholesale India Private Limited for a consideration of Rs. 0.20 million. As per the sale agreement, the applications before the Registrar of Trade Marks for registration of label / word mark "Tambulya" shall rest with Matrimony.com Limited. The Board of directors has approved the decision vide resolution dated December 30, 2014. Consequent to this, the Company has recorded a profit of Rs. 0.46 million and the same has been classified as an "exceptional item" in the statement of profit and loss being non-routine in nature.

7) Legal costs incurred on litigation represents cost towards defending the Company, Promoter and Certain shareholders in a case pending with Superior Court of New Jersey, in each of the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013. In view of the amount involved being significant, the same has been disclosed as exceptional item in the financial statements. For more details refer note 11B in Annexure IVA.

8) Settlement cost detailed in note (i) to 11B of Annexure IVA amounting to Rs 530.97 million has been disclosed as an exceptional item as the transaction not expected to recur frequently.

**Matrimony.com Limited**
**Annexure XVIII - Capitalisation statement**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Pre IPO as at March 31, 2017 | As adjusted for IPO (refer note 3 below) |
|---|---|---|
| **Debt** | | |
| Short term borrowings (A) | 443.76 | |
| Long term borrowings (B) | 1.56 | |
| **Total borrowings (A+B)** | **445.32** | |
| | | |
| **Shareholder's funds** | | |
| Share capital | 106.21 | |
| Reserves and Surplus, as restated | (417.52) | |
| **Total shareholder's funds (C)** | **(311.31)** | |
| | | |
| **Long term borrowings / Shareholder's fund (B/C)** | **(0.01)** | |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this state pending the completion of the book building process and hence the same have not been provided in the above statement.

4) Long term debt represents debt which is due after 12 months from March 31, 2017 and current maturities of long term debt.

**Matrimony.com Limited**
**Annexure XIX - Restated consolidated statement of accounting ratios**

***(All amounts are in INR million, except share and per share data)***

| Particulars | | Year ended | | | | |
|---|---|---|---|---|---|---|
| | | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Restated Profit / (Loss) after tax | A | 437.81 | (750.69) | (29.29) | (91.59) | 104.10 |
| Less: Preference dividend including tax thereon | B | - | - | - | - | - |
| Net profit / (Loss) available to equity shareholders | C=A-B | 437.81 | (750.69) | (29.29) | (91.59) | 104.10 |
| Weighted average number of equity shares considered for calculating basic EPS | D | 18,932,157 | 14,778,256 | 14,559,385 | 14,298,378 | 14,298,378 |
| Weighted average number of equity shares considered for calculating diluted EPS | E | 21,461,515 | 21,425,591 | 21,599,770 | 21,072,188 | 21,072,188 |
| Restated net worth | F | (311.31) | (760.91) | (9.30) | (21.90) | 69.69 |
| | | | | | | |
| **Basic earnings per share (Rs.)** | C/D | 23.13 | (50.80) | (2.01) | (6.41) | 7.28 |
| | | | | | | |
| **Diluted earnings per share (Rs.)** | C/E | 20.40 | (50.80) | (2.01) | (6.41) | 4.94 |
| | | | | | | |
| **Return on net worth (%)** | C/F | 140.63% | (98.66%) | (314.67)% | (417.93)% | 149.40% |
| **Net asset value per share (Rs.)** | Note 3(d) | (14.67) | (35.95) | (0.44) | (1.04) | 3.31 |

**Notes:**

1) The above ratios have been computed on the basis of the restated consolidated summary statements of the Company.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows.

3) The Ratios have been computed as below:

| | |
|---|---|
| a) Basic Earnings per share (Rs.) | Net profit after taxes (as restated) / Net profit after taxes (as restated) attributable to equity shareholders<br>―――<br>Weighted average number of equity shares outstanding during the year |
| b) Diluted Earnings per share (Rs.) | Net profit after taxes (as restated) / Net profit after taxes (as restated)<br>―――<br>Weighted average number of diluted equity shares outstanding during the year |
| c) Return on net worth (%) | Net profit after tax (as restated)<br>―――<br>Net worth at the end of the year including preference share capital |
| d) Net asset value per share (Rs.) | Net worth at the end of the year<br>―――<br>Total number of equity shares outstanding at the end of the year + Potential equity shares from convertible preference shares |

4) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5) Net worth for ratios mentioned in note 3(c) and 3(d) = Equity share capital + Reserves and surplus (including Securities Premium and surplus in statement of profit and loss) + Preference share capital. These ratios have been computed after considering the retrospective adjustment of the bonus shares and consolidation of share capital.

6) Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with paragraph 7 of the Companies (Accounts) Rules, 2014. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly.

**Matrimony.com Limited**
**Annexure XX - Restated consolidated statement of related party disclosures**

**(i) List of related parties and transactions as per the requirements of Accounting Standard - 18, "Related Party Disclosures" notified by Central Government under section 133 of Companies Act, 2013**

*(All amounts are in INR million unless otherwise stated)*

| Relationship | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Enterprises owned or significantly influenced by key management personnel or their relatives | India Property Online Private Limited | India Property Online Private Limited | India Property Online Private Limited | India Property Online Private Limited | India Property Online Private Limited |
| | Infonauts Inc., USA | Infonauts Inc., USA | Infonauts Inc., USA | Infonauts Inc., USA | Infonauts Inc., USA (From March 31, 2013) |
| Investor having significant influence | - | Canaan VII, Mauritius (refer note below) | Canaan VII, Mauritius | Canaan VII, Mauritius | Canaan VII, Mauritius |
| | Mayfield XII, Mauritius | Mayfield XII, Mauritius | Mayfield XII, Mauritius | Mayfield XII, Mauritius | Mayfield XII, Mauritius |
| | CMDB II | CMDB II (from April 16, 2015) | - | - | - |
| Enterprises in which directors are interested | - | - | MF Advisors LLP (till March 31, 2015) | MF Advisors LLP | MF Advisors LLP |
| | - | Canaan Advisors Private Limited (refer note below) | Canaan Advisors Private Limited (refer note below) | Canaan Advisors Private Limited | Canaan Advisors Private Limited |
| Key Management Personnel (KMP) | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman |
| | Mr. S Parameshwar, Chief Financial Officer (till August 12,2016) | Mr. S Parameshwar, Chief Financial Officer | Mr. S Parameshwar, Chief Financial Officer | - | - |
| | Mr.K Balasubramanian, Chief Financial Officer (from August 22, 2016) | - | - | - | - |
| | Mr. S Vijayanand , Company Secretary | Mr. S Vijayanand , Company Secretary | Mr. S Vijayanand , Company Secretary | - | - |
| Relatives of KMP | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman |
| | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman |

**Note:**

On March 24, 2015, Canaan VII, Mauritius, one of the investors of the Company, has transferred its entire holding in equity and preference capital (719,174 equity shares and 4,348,510 compulsorily convertible preference shares) to CMDB II. The board of directors of the Company has approved the said transfer on April 16, 2015.

Consequent to the enactment of new Companies Act, 2013 from April 1, 2014, the transactions with Chief Financial Officer and Company Secretary have been included as part of related party transactions prospectively in compliance with Companies Act, 2013.

**Matrimony.com Limited**

**Annexure XX – Restated consolidated statement of related party disclosures (continued)**

**(ii) Details of transactions with related parties**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Transactions with key management personnel and relative of key management personnel** | | | | | |
| **Key Management personnel:** | | | | | |
| **Remuneration** | | | | | |
| - Mr.Murugavel Janakiraman | 13.94 | 11.68 | 8.40 | 8.64 | 9.00 |
| - Mr. S Parameshwar | 7.54 | 8.00 | 5.50 | - | - |
| - Mr. K Balasubramanian | 5.26 | - | - | - | - |
| - Mr. S Vijayanand | 1.65 | 1.42 | 1.12 | - | - |
| | | | | | |
| **Share application money received** | - | - | - | 19.20 | - |
| | | - | | | |
| **Share application money refunded** | - | - | 19.20 | - | - |
| | | - | | | |
| **Interest paid on share application money** | - | - | 0.16 | - | - |
| | | | | | |
| **Preferential allotment of equity shares (including premium)** | - | - | 12.23 | - | - |
| | | | | | |
| **Bonus issue of equity shares** | - | - | 25.68 | - | - |
| | | | | | |
| **Sale of Investment in Infonauts Inc., USA** | - | - | - | - | 0.14 |
| | | | | | |
| **Relatives of Key Management Personnel:** | | | | | |
| **Remuneration** | | | | | |
| - Mr. Ravi Janakiraman | 0.96 | 0.90 | 0.87 | 0.82 | 0.75 |
| | | | | | |
| **Bonus issue of equity shares** | | | | | |
| - Mrs. Indirani Janakiraman | - | - | 0.18 | - | - |
| | | | | | |
| **Investor having significant influence:** | | | | | |
| | | | | | |
| **Preferential allotment of equity shares (including premium)** | | | | | |
| - Canaan VII, Mauritius | - | - | 5.23 | - | - |
| - Mayfield XII, Mauritius | - | - | 5.09 | - | - |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Bonus issue of equity shares** | | | | | |
| - Canaan VII, Mauritius | - | - | 0.84 | - | - |
| - Mayfield XII, Mauritius | - | - | 1.67 | - | - |
| | | | | | |
| **Legal charges** | | | | | |
| - Canaan VII, Mauritius | - | - | - | 52.29 | - |
| | | | | | |
| **Enterprises owned or significantly influenced by key management personnel or their relatives and enterprises in which Directors are interested** | | | | | |
| | | | | | |
| **Expenses made by Company on behalf of related parties** | | | | | |
| - India Property Online Private Limited | - | - | - | 1.13 | 133.84 |
| | | | | | |
| **Investments in equity shares** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 0.10 |
| | | | | | |
| **Cancellation of investment in equity shares** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 0.10 |
| | | | | | |
| **Purchase of redeemable preference shares** | | | | | |
| - India Property Online Private Limited | - | - | - | 50.00 | - |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Redemption of redeemable preference shares** | | | | | |
| - India Property Online Private Limited (including premium) | - | - | - | 50.84 | - |
| | | | | | |
| **Loans and advances to related parties** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 93.50 |
| | | | | | |
| **Repayment of Loan from related parties** | | | | | |
| - India Property Online Private Limited | - | - | - | 93.50 | - |
| | | | | | |
| **Seat sharing revenue** | | | | | |
| - India Property Online Private Limited | 0.50 | 5.11 | 8.25 | 10.82 | - |
| | | | | | |
| **Transfer of assets** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 24.29 |
| | | | | | |
| **Transfer of liabilities** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 20.06 |
| | | | | | |
| **Interest income on loans** | | | | | |
| - India Property Online Private Limited | - | - | - | 2.16 | 9.37 |
| | | | | | |
| **Reversal of interest receivable on loan** | | | | | |
| - India Property Online Private Limited | - | - | 0.10 | - | - |

**(iii) Balances with related parties**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Enterprises owned or significantly influenced by key management personnel or their relatives / Enterprises in which Directors are interested:** | | | | | |
| | | | | | |
| **Loans and advances** | | | | | |
| - India Property Online Private Limited | - | - | - | 6.83 | 211.25 |
| - Infonauts Inc. | - | - | - | - | 0.19 |
| | | | | | |
| **Other receivables** | | | | | |
| - India Property Online Private Limited | 8.36 | 7.07 | 0.46 | - | - |
| **Trade payables** | | | | | |
| - India Property Online Private Limited | - | - | 7.23 | - | - |
| | | | | | |
| **Investor having significant influence:** | | | | | |
| | | | | | |
| **Long-term liabilities** | | | | | |
| - Canaan VII, Mauritius | - | - | 23.45 | 52.29 | - |
| | | | | | |
| **Other liabilities** | | | | | |
| - Canaan VII, Mauritius | - | - | 31.27 | 1.49 | - |

**Note:**

1) The classification and the disclosures of information of related parties for each of the years is in accordance with the Accounting Standard (AS) 18 - Related Party Disclosures, as specified by the Regulations.

2) The figures disclosed above are based on the restated consolidated summary statements of assets and liabilities and profits and losses of the Company.

3) The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV-A & IV-B.

4) 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.

**Matrimony.com Limited**
**Annexure XXI - Restated consolidated statement of segment information**

## a) Primary Segment Information based on business:

The Company's business segments have been divided into three - Matchmaking services, Marriage services and related sale of products and Others.

**Primary segment information** (by Business segments)**:**

***(All amounts are in INR million unless otherwise stated)***

| **Particulars** | **Year ended** | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **A. Segment Revenue** | | | | | |
| - Matchmaking Services | 2,807.63 | 2,440.31 | 2,319.91 | 1,988.55 | 1,873.22 |
| - Marriage services and related sale of products | 120.56 | 107.89 | 94.21 | 65.83 | 12.85 |
| - Others | - | - | - | - | - |
| Elimination of Inter segment sales | - | - | - | - | - |
| **Total Revenue** | **2,928.19** | **2,548.20** | **2,414.12** | **2,054.38** | **1,886.07** |
| | | | | | |
| **Segment Expenses** | | | | | |
| **Purchase of traded goods including increase / decrease in inventories** | | | | | |
| - Matchmaking Services | - | - | - | - | - |
| - Marriage services and related sale of products | - | - | 18.94 | 10.21 | 2.45 |
| - Others | - | - | - | - | - |
| **Employee benefits expense** | | | | | |
| - Matchmaking Services | 983.93 | 1,039.54 | 915.23 | 755.58 | 691.46 |
| - Marriage services and related sale of products | 128.43 | 138.84 | 98.17 | 80.69 | 32.08 |
| - Others | 0.11 | 1.72 | - | - | - |
| **Advertisement and business promotion expense** | | | | | |
| - Matchmaking Services | 481.24 | 470.83 | 486.21 | 456.4 | 454.78 |
| - Marriage services and related sale of products | 39.39 | 33.55 | 46.3 | 24.98 | 7.62 |
| - Others | 1.67 | 34.22 | - | - | - |
| **Other expenses** | | | | | |
| - Matchmaking Services | 528.57 | 570.37 | 522.14 | 507.78 | 462.49 |
| - Marriage services and related sale of products | 72.53 | 72.63 | 59.45 | 30.06 | 13.73 |
| - Others | 0.18 | 0.66 | 1.77 | - | - |
| **Depreciation and amortisation expense** | | | | | |
| - Matchmaking Services | 75.34 | 74.34 | 56.56 | 37.45 | 57.24 |
| - Marriage services and related sale of products | 5.15 | 4.01 | 3.99 | 3.06 | 1.02 |
| - Others | 0.09 | 0.09 | - | - | - |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **B. Segment Results** | | | | | |
| - Matchmaking Services | 738.55 | 285.23 | 339.77 | 231.34 | 207.25 |
| - Marriage services and related sale of products | (124.95) | (141.14) | (132.64) | (83.17) | (44.05) |
| - Others | (2.06) | (36.70) | (1.77) | - | - |
| **Total** | **611.54** | **107.39** | **205.36** | **148.17** | **163.20** |
| Unallocable expenses (net of unallocable revenue) | 123.31 | 132.62 | 108.95 | 74.07 | 65.9 |
| Finance cost | 44.28 | 29.86 | 15.71 | 8.22 | 14.01 |
| Finance income | (37.74) | (42.24) | (32.14) | (31.78) | (39.66) |
| **Profit before exceptional items, tax and minority interest** | **481.69** | **(12.85)** | **112.84** | **97.66** | **122.95** |
| Exceptional items | 43.72 | 737.66 | 141.78 | 188.97 | 18.58 |
| **Profit / (loss) before tax and minority interest** | **437.97** | **(750.51)** | **(28.94)** | **(91.31)** | **104.37** |
| Income taxes | 0.14 | 0.04 | 0.10 | 0.04 | 0.02 |
| **Profit / (loss) after tax before minority interest** | **437.83** | **(750.55)** | **(29.04)** | **(91.35)** | **104.35** |
| **Profit / (loss) before minority interest** | **437.83** | **(750.54)** | **(29.04)** | **(91.35)** | **104.35** |
| Minority interest | 0.02 | 0.14 | 0.25 | 0.24 | 0.25 |
| **Profit / (loss) for the year** | **437.81** | **(750.69)** | **(29.29)** | **(91.59)** | **104.10** |
| | | | | | |
| **C. Segment Assets** | | | | | |
| - Matchmaking Services | 335.11 | 416.88 | 337.88 | 326.29 | 278.78 |
| - Marriage services and related sale of products | 33.14 | 30.16 | 14.27 | 24.67 | 16.76 |
| - Others | 0.63 | 4.61 | 0.76 | - | - |
| | | | | | |
| Unallocable assets | 774.80 | 750.65 | 649.57 | 451.78 | 591.32 |
| Other assets held for investing activities | - | - | - | 0.30 | 0.30 |
| Income taxes | 49.94 | 36.16 | 29.42 | 27.72 | 15.81 |
| **Total Assets** | **1,193.62** | **1,238.46** | **1,031.90** | **830.76** | **902.97** |
| | | | | | |
| **D. Segment Liabilities** | | | | | |
| - Matchmaking Services | 891.22 | 1,214.95 | 519.98 | 455.26 | 459 |
| - Marriage services and related sale of products | 56.04 | 57.22 | 45.97 | 38.29 | 22.01 |
| - Others | 0.01 | 4.70 | 0.69 | - | - |
| - Unallocable | 557.67 | 719.87 | 472.06 | 356.87 | 350.28 |
| **Total Liabilities** | **1,504.94** | **1,996.74** | **1,038.70** | **850.42** | **831.29** |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **E. Capital Expenditure** | | | | | |
| - Matchmaking Services | 33.29 | 104.01 | 97.80 | 34.33 | 74.32 |
| - Marriage services and related sale of products | 2.70 | 9.48 | 13.80 | 7.99 | 6.02 |
| - Others | - | - | 0.06 | - | - |
| - Unallocable | 28.79 | 35.57 | 26.70 | 40.29 | 18.96 |
| **Total Capital Expenditure** | **64.78** | **149.06** | **138.36** | **82.61** | **99.30** |
| | | | | | |
| **F. Depreciation / Amortisation** | | | | | |
| - Matchmaking Services | 75.25 | 74.34 | 56.56 | 37.45 | 57.24 |
| - Marriage services and related sale of products | 5.15 | 4.01 | 3.98 | 3.06 | 1.03 |
| - Others | 0.09 | 0.09 | - | - | - |
| - Unallocable | 23.32 | 19.10 | 21.13 | 15.85 | 6.42 |
| **Total Depreciation / Amortisation** | **103.81** | **97.54** | **81.67** | **56.36** | **64.69** |
| | | | | | |
| **G. Non-cash items other than Depreciation / Amortisation** | | | | | |
| - Matchmaking Services | 4.95 | 3.78 | 15.26 | (0.68) | 5.30 |
| - Marriage services and related sale of products | 4.81 | 6.12 | 17.85 | 0.04 | - |
| - Others | - | - | - | - | - |
| - Unallocable | (0.95) | (2.41) | (4.00) | - | (13.06) |
| **Total Non-cash items other than Depreciation / Amortisation** | **8.81** | **7.49** | **29.11** | **(0.64)** | **(7.76)** |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **H. Capital Employed** | | | | | |
| - Unallocable | (311.32) | (758.28) | (6.81) | (19.66) | 71.69 |
| **Total Capital Employed** | **(311.32)** | **(758.28)** | **(6.81)** | **(19.66)** | **71.69** |

**Matrimony.com Limited**
**Annexure XXI - Restated consolidated statement of segment information (continued)**
**Secondary segment information** (by Geographical segments)**:**

***(All amounts are in INR million unless otherwise stated)***

| **Particulars** | **Year ended** | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Segment Revenue** | | | | | |
| - Within India | 2,484.67 | 2,222.34 | 2,046.01 | 1,699.56 | 1,521.41 |
| - Outside India | 443.52 | 325.85 | 368.11 | 354.82 | 364.66 |
| | | | | | |
| **Capital Expenditure** | | | | | |
| - Within India | 64.78 | 148.99 | 138.26 | 82.51 | 99.05 |
| - Outside India | - | 0.07 | 0.10 | 0.10 | 0.25 |
| | | | | | |
| **Segment Assets** | | | | | |
| - Within India | 319.15 | 387.31 | 338.60 | 337.00 | 277.62 |
| - Outside India | 49.73 | 64.34 | 14.31 | 13.96 | 17.92 |

**Note:**

1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated consolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Those which are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

4) The business which were not reportable segments, have been grouped under the "Others" segment. This comprises of business of operating online job portal and providing matchmaking services through mobile application.

**Matrimony.com Limited**
**Annexure XXII - Restated consolidated statement of dividend**

*(All amounts are INR unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Equity shares:** | | | | | |
| Number of equity shares (numbers) | 21,241,591 | 1,4,778,256 | 24,630,426 | 13,463,632 | 13,463,632 |
| Face value per share (Rs.) | 5 | 5 | 3 | 3 | 3 |
| | | | | | |
| Rate of dividend (%) | - | - | - | - | - |
| Dividend amount (in million) | - | - | - | - | - |
| Tax on dividend (in million) | - | - | - | - | - |
| | | | | | |
| **Preference shares:** | | | | | |
| Number of preference shares (numbers) | - | 36,07,724 | 6,012,874 | 6,330,818 | 6,330,818 |
| Face value per share (Rs.) | - | 5 | 3 | 3 | 3 |
| | | | | | |
| Rate of dividend (%) | - | - | - | - | - |
| Dividend amount (in million) | - | - | - | - | - |
| Tax on dividend (in million) | - | - | - | - | - |

**Report of auditors on the restated unconsolidated summary statement of Assets and Liabilities as at March 31, 2017, 2016, 2015, 2014 and 2013 and Profits and Losses and Cash Flows for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 for Matrimony.com Limited (collectively, the "Restated Unconsolidated Summary Statements")**

The Board of Directors
Matrimony.com Limited
TVH Beliciaa Towers, 10th Floor, Tower II,
No 94, MRC Nagar,
Mandaveli,
Chennai – 600 028

Dear Sirs,

1. We have examined the Restated Unconsolidated Summary Statements of Matrimony.com Limited (Formerly referred to as Consim Info Private Limited or Matrimony.com Private Limited) (the "Company") as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed Initial Public Offer ("IPO"). The Restated Unconsolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act') read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and

    b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

**Management's Responsibility for the Restated Unconsolidated Summary Statements**

2. The preparation of the Restated Unconsolidated Summary Statements, which is to be included in the offer documents being filed in connection with the IPO is the responsibility of the Management of the Company for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Unconsolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

**Auditors' Responsibilities**

3. We have examined such Restated Unconsolidated Summary Statements taking into consideration:

    a. the terms of our engagement agreed with you vide our engagement letter dated April 03, 2017 requesting us to carry out the assignment in connection with the proposed IPO of the Company;

    b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("Guidance Note"); and

    c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an IPO of its equity shares having a face value of Rs. 5 each at such premium, arrived at by book building process (referred to as the "Issue"), as may be decided by the Company's Board of Directors.

**Restated Unconsolidated Summary Statements as per audited unconsolidated financial statements:**

5. The Restated Unconsolidated Summary Statements has been compiled by the management from the audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 prepared in accordance with accounting principles generally accepted in India and which have been approved by the Board of Directors at their meetings held on April 29, 2017, July 21, 2016, August 5, 2015, July 18, 2014 and June 17, 2013, respectively.

6. For the purpose of our examination, we have relied on the Auditor's reports issued by us dated April 29, 2017, July 21, 2016, August 5, 2015, July 18, 2014 and June 17, 2013 on the unconsolidated financial statements of the Company as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, respectively, as referred in paragraph 5 above.

7. Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note, we report that:

   a) The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

   b) The Restated Unconsolidated Summary Statement of Profit and Loss of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

   c) The Restated Unconsolidated Summary Statement of Cash Flows of the Company for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Annexure IV B – Notes on material adjustments.

   Based on the above and according to the information and explanations given to us, we further report that:

   i) Restated Unconsolidated Summary Statements have been made after incorporating adjustments for the change in accounting policy, adopted by the Company as at and for the year ended March 31, 2015 as described in Annexure IV B, retrospectively to reflect the same accounting treatment as per changed accounting policy and there are no other accounting policy changes in the years ended March 31, 2017, 2016, 2014 and 2013;

   ii) Restated Unconsolidated Summary Statements have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate as, in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV B;

   iii) Restated Unconsolidated Summary Statements do not contain any extra-ordinary items that need to be disclosed separately in the Restated Unconsolidated Summary Statements;

   iv) There are no qualifications in the auditors' reports on the unconsolidated financial statements of the Company as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013, which require any adjustments to the Restated Unconsolidated Summary Statements; and

   v) Other audit qualifications included in the Auditor's report pursuant to Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 on the unconsolidated financial statements for the financial years ended 2017 and in the Annexure to the Auditor's report issued under Companies (Auditor's Report) Order, 2016, 2015, 2003 (as amended, and as applicable), on the unconsolidated financial statements for the financial years ended 2016, 2015, 2014 and 2013 which do not require any corrective adjustment in the financial information, are as follows:

**A. Auditor's Report for the Financial year ended March 31, 2017**

The Company has provided requisite disclosures in Note 38 to these standalone financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more fully described in Note 38 to these standalone financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the company and produced to us for verification.

The aforesaid Note 38 to the standalone financial statements for the year ended March 31, 2017 has been reproduced in Note 11 of Annexure IV A to the Restated Unconsolidated Summary Statements.

**B. Annexure to auditor's report for the Financial year ended March 31, 2016**

(i) Clause (vii)(a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, customs duty, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases of service tax. Undisputed statutory dues relating to value added tax have not been regularly deposited with the authorities and there have been serious delays in large number of cases. The provisions relating to excise duty are not applicable to the Company.

**C. Annexure to auditor's report for the Financial year ended March 31, 2015**

(i) Clause (viii)

The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company has incurred cash loss.

**D. Annexure to auditor's report for the Financial year ended March 31, 2014**

(i) Clause (ix)(a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of service tax. The provision relating to excise duty, investor education and protection fund and sales-tax are not applicable to the company.

(ii) Clause (x)

The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has incurred cash losses in the current year. In the immediately preceding financial year, the Company has not incurred cash loss.

**E. Annexure to auditor's report for the Financial year ended March 31, 2013**

(i) Clause (ix)(a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of service tax. Statutory dues in respect of excise duty, investor education and protection fund and sales-tax are not applicable to the company.

(ii) Clause (x)

The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and it has not incurred cash losses in the current year and immediately preceding financial year.

8. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2017.

**Other Financial Information:**

9. At the Company's request, we have also examined the following restated unconsolidated financial information proposed to be included in the offer document, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013:

   i. Restated Unconsolidated Statement of Share Capital, enclosed as Annexure V

   ii. Restated Unconsolidated Statement of Reserves and Surplus, enclosed as Annexure VI

   iii. Restated Unconsolidated Statement of Long-term and Short-term Borrowings, enclosed as Annexure VII

   iv. Restated Unconsolidated Statement of Other Long-term liabilities and Long-term Provisions, enclosed as Annexure VIII

   v. Restated Unconsolidated Statement of Trade Payables, Other Current Liabilities and Short-term Provisions, enclosed as Annexure IX

   vi. Restated Unconsolidated Statement of Non-Current and Current Investments, enclosed as Annexure X

   vii. Restated Unconsolidated Statement of Long-term Loans and Advances, enclosed as Annexure XI

   viii. Restated Unconsolidated Statement of Trade Receivables (net of provision for doubtful receivables), enclosed as Annexure XII

   ix. Restated Unconsolidated Statement of Cash and Bank Balances, enclosed as Annexure XIII

   x. Restated Unconsolidated Statement of Short-term Loans and Advances and Other Current Assets, enclosed as Annexure XIV

   xi. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XV

   xii. Restated Unconsolidated Statement of Operating Expenses, enclosed as Annexure XVI

   xiii. Restated Unconsolidated Statement of Exceptional Items, enclosed as Annexure XVII

   xiv. Capitalisation Statement, enclosed as Annexure XVIII

   xv. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XIX

   xvi. Restated Unconsolidated Tax Shelter Statement, enclosed as Annexure XX

   xvii. Restated Unconsolidated Statement of Related Party Transactions, enclosed as Annexure XXI

   xviii. Restated Unconsolidated Statement of Segment Information, enclosed as Annexure XXII

   xix. Statement of Dividend, enclosed as Annexure XXIII

10. According to information and explanations given to us, in our opinion, the Restated Unconsolidated Summary Statements and the abovementioned unconsolidated financial information as disclosed in the

Annexures I to XXIII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV A, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure IV B and have been prepared in accordance Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for your information and for inclusion in the offer document to be filed with SEBI, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Tamil Nadu in connection with the proposed IPO of the Company. Our report is not to be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

**Shankar Srinivasan**
Partner
Membership No: 213271
Place: Mumbai
Date: April 29, 2017

**Matrimony.com Limited**
**Annexure I - Restated Unconsolidated Summary Statement of Assets and Liabilities**

*(All amounts are in INR million unless otherwise stated)*

| | Particulars | Annexure No. | As at | | | | |
|---|---|---|---|---|---|---|---|
| | | | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| | **Equity and Liabilities** | | | | | | |
| **A** | **Shareholders' funds** | | | | | | |
| | Share capital | V | 106.21 | 91.93 | 91.93 | 59.38 | 59.38 |
| | Reserves and surplus | VI | (118.03) | (337.06) | (106.03) | (70.81) | 11.57 |
| | | | **(11.82)** | **(245.13)** | **(14.10)** | **(11.43)** | **70.95** |
| **B** | **Non-current liabilities** | | | | | | |
| | Long-term borrowings | VII (A) | - | 1.56 | 5.02 | - | - |
| | Other long term liabilities | VIII (A) | 2.39 | 10.74 | 34.78 | 52.40 | 0.21 |
| | Long term provisions | VIII (B) | 19.51 | 16.18 | 12.84 | 10.50 | 8.09 |
| | | | **21.90** | **28.48** | **52.64** | **62.90** | **8.30** |
| **C** | **Current liabilities** | | | | | | |
| | Short-term borrowings | VII (B) | 443.76 | 481.93 | 267.27 | 148.13 | 254.98 |
| | Trade payables | IX (A) | | | | | |
| | Total outstanding dues of micro enterprises and small enterprises | IVA (7) | - | - | - | - | - |
| | Total outstanding dues of creditors other than micro enterprises and small enterprises | | 160.64 | 298.24 | 208.42 | 209.62 | 182.40 |
| | Other current liabilities | IX (B) | 546.86 | 595.77 | 442.34 | 381.51 | 316.82 |
| | Short term provisions | IX (C) | 58.14 | 52.16 | 46.90 | 25.70 | 51.83 |
| | | | **1,209.40** | **1,428.10** | **964.93** | **764.96** | **806.03** |
| | | | | | | | |
| | **Total Equity and Liabilities (A+B+C)** | | **1,219.48** | **1,211.45** | **1,003.47** | **816.43** | **885.28** |
| | | | | | | | |
| | **Assets** | | | | | | |
| **D** | **Non-current assets** | | | | | | |
| | Fixed assets | | | | | | |
| | Property, Plant and Equipment | | 177.55 | 191.42 | 161.52 | 150.35 | 147.74 |
| | Intangible assets | | 64.69 | 91.93 | 74.45 | 34.18 | 24.45 |
| | Intangible assets under Development | | - | - | 2.64 | 43.13 | 2.22 |
| | Non-current Investments | X (A) | 0.25 | 0.25 | 2.40 | 29.69 | 12.50 |
| | Long term loans and advances | XI | 171.53 | 94.44 | 113.33 | 130.65 | 128.82 |
| | | | **414.02** | **378.04** | **354.34** | **388.00** | **315.73** |
| **E** | **Current assets** | | | | | | |
| | Current investments | X (B) | - | 0.20 | - | - | - |
| | Trade receivables | XII | 96.00 | 58.06 | 11.33 | 16.25 | 14.94 |
| | Cash and bank balances | XIII | 550.08 | 537.72 | 524.89 | 367.74 | 307.79 |
| | Short term loans and advances | XIV (A) | 44.24 | 111.06 | 78.18 | 40.70 | 243.35 |
| | Other current assets | XIV (B) | 115.14 | 126.37 | 34.73 | 3.74 | 3.47 |
| | | | **805.46** | **833.41** | **649.13** | **428.43** | **569.55** |
| | | | | | | | |
| | **Total Assets (D+E)** | | **1,219.48** | **1,211.45** | **1,003.47** | **816.43** | **885.28** |

**Matrimony.com Limited**
**Annexure I - Restated Unconsolidated Summary Statement of Assets and Liabilities (continued)**

**Note:**

1) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profit and loss and cash flows as appearing in Annexure IVA and IVB.

As per our report of even date

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

**Shankar Srinivasan**
Partner
Membership No: 213271

Place: Mumbai
Date: April 29, 2017

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

**Murugavel Janakiraman**
Managing Director

**Avneet Singh Kochar**
Director

**K Balasubramanian**
Chief Financial Officer

**S Vijayanand**
Company Secretary

**Matrimony.com Limited**
**Annexure II - Restated Unconsolidated Summary Statement of Profits and Losses**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Annexure No. | Year ended | | | | |
|---|---|---|---|---|---|---|
| | | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Income from operations** | | | | | | |
| Revenue from operations | | | | | | |
| Matchmaking services | | 2,554.77 | 2,424.50 | 2,319.91 | 1,988.55 | 1,873.22 |
| Marriage services | | 119.90 | 105.07 | 73.50 | 50.74 | 9.93 |
| Other income | XV | 2.16 | 7.69 | 12.92 | 20.89 | 3.29 |
| **Total revenue** | | **2,676.83** | **2,537.26** | **2,406.33** | **2,060.18** | **1,886.44** |
| | | | | | | |
| **Expenses** | | | | | | |
| Employee benefit expenses | XVI (A) | 1,162.64 | 1,223.56 | 1,031.64 | 845.02 | 718.16 |
| Advertisement and business promotion expenses | XVI (B) | 518.55 | 512.35 | 554.57 | 513.00 | 516.38 |
| Other expenses | XVI (C) | 618.29 | 674.91 | 595.35 | 565.52 | 487.62 |
| **Total expenses** | | **2,299.48** | **2,410.82** | **2,181.56** | **1,923.54** | **1,722.16** |
| | | | | | | |
| **Restated earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)** | | **377.35** | **126.44** | **224.77** | **136.64** | **164.28** |
| | | | | | | |
| Depreciation and amortisation expense | | 103.45 | 97.13 | 79.47 | 53.94 | 64.02 |
| | | | | | | |
| Finance cost | | 44.15 | 29.52 | 15.39 | 7.89 | 13.68 |
| | | | | | | |
| Finance income | | (39.43) | (42.32) | (33.28) | (31.78) | (39.66) |
| | | | | | | |
| **Restated earnings before exceptional items and tax** | | **269.18** | **42.11** | **163.19** | **106.59** | **126.24** |
| | | | | | | |
| Less: Exceptional items | XVII | 43.87 | 273.14 | 207.84 | 188.97 | 31.65 |
| | | | | | | |
| **Tax expense** | | | | | | |
| Current tax | | 15.00 | - | - | - | - |
| MAT Credit Entitlement | | (15.00) | - | - | - | - |
| Deferred tax | | - | - | - | - | - |
| **Total tax expense** (refer note 2 below) | | - | - | - | - | - |
| | | | | | | |
| **Restated profit / (loss) after tax** | | **225.31** | **(231.03)** | **(44.65)** | **(82.38)** | **94.59** |

**Matrimony.com Limited**
**Annexure II - Restated Unconsolidated Summary Statement of Profits and Losses (continued)**

**Note:**

1) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

2) During the years ended March 31, 2016, 2015, 2014 and 2013, the Company does not have any tax liability arising out of the profits on account of set off of the carried forward losses of the earlier years. Accordingly, the Company does not have any tax expenses for each of those years.

As per our report of even date

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

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

ICAI Firm Registration No.: 101049W/E300004

| | | |
|---|---|---|
| **Shankar Srinivasan**<br>Partner<br>Membership No: 213271 | **Murugavel Janakiraman**<br>Managing Director | **Avneet Singh Kochar**<br>Director |
| Place: Mumbai<br>Date: April 29, 2017 | **K Balasubramanian**<br>Chief Financial Officer | **S Vijayanand**<br>Company Secretary |

**Matrimony.com Limited**
**Annexure III - Restated Unconsolidated Summary Statement of Cash Flows**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES** | | | | | |
| Restated profit before tax and exceptional items | 269.18 | 42.11 | 163.19 | 106.59 | 126.24 |
| | | | | | |
| **Adjustment to reconcile profit / (loss) before tax to net cash flows** | | | | | |
| Depreciation and amortisation | 103.45 | 97.13 | 79.47 | 53.94 | 64.02 |
| Loss on sale / write off of Property, Plant and Equipment (net) | 1.51 | 3.58 | 1.23 | 8.09 | 5.20 |
| Unrealised foreign exchange loss / (gain) | 3.34 | (0.66) | (0.84) | (3.51) | 0.27 |
| Provision for doubtful debts and advances | 5.29 | 6.17 | 0.26 | 1.05 | 0.38 |
| Provision for litigation (refer note 4(b) of annexure IX) | 1.76 | - | 16.29 | - | - |
| Liabilities no longer required written back | - | (0.73) | (1.05) | (5.90) | (0.56) |
| Interest expense | 43.59 | 28.38 | 14.49 | 7.07 | 12.69 |
| Interest income | (39.43) | (42.32) | (33.28) | (31.78) | (39.66) |
| | | | | | |
| **Operating profit / (loss) before working capital changes (as restated)** | **388.69** | **133.66** | **239.76** | **135.55** | **168.58** |
| **Movement in working capital** | | | | | |
| (Increase) / decrease in Trade receivables | (43.23) | (52.90) | 4.66 | (2.49) | 10.27 |
| (Increase) / decrease in Short term loans and advances | 66.82 | (33.96) | (72.04) | (8.89) | 2.97 |
| (Increase) / decrease in Long term loans and advances | (58.02) | 24.78 | 21.60 | 9.95 | (42.47) |
| (Increase) / decrease in Other current assets | (13.30) | (90.47) | (16.69) | (0.26) | 1.65 |
| Increase / (decrease) in Trade payables | (96.55) | 63.99 | 0.60 | 45.62 | (40.07) |
| Increase in Other current liabilities | 14.33 | 112.76 | 20.76 | 59.39 | 34.95 |
| Increase / (decrease) in Other non-current liabilities | (8.35) | (0.59) | 11.23 | (0.10) | 0.19 |
| Increase / (decrease) in Long / short term provisions | 7.55 | 8.61 | 23.53 | (23.63) | 6.26 |
| **Cash flow from operations** | **257.94** | **165.88** | **233.41** | **215.14** | **142.33** |
| Income taxes paid (net of refunds) | (19.07) | (4.80) | (4.28) | (8.38) | 3.42 |
| **Net cash generated from operating activities before exceptional items** | **238.87** | **161.08** | **229.13** | **206.76** | **145.75** |
| Cash flow from / (used in) Exceptional items | (85.48) | (212.53) | (149.09) | (150.07) | (31.66) |
| **Net cash generated from / (used in) operating activities (A)** | **153.39** | **(51.45)** | **80.04** | **56.69** | **114.09** |

**Matrimony.com Limited**
**Annexure III - Restated Unconsolidated Summary Statement of Cash Flows (continued)**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES** | | | | | |
| Purchase of property, Plant & Equipment including intangible assets and capital advances | (101.25) | (98.41) | (98.23) | (109.39) | (98.15) |
| Proceeds from sale of Property, Plant and Equipment | 0.93 | 0.43 | 0.86 | 1.51 | 0.42 |
| Investment in redeemable preference shares | - | - | - | (50.00) | - |
| Redemption of redeemable preference shares | - | - | - | 50.84 | - |
| Purchase of non-current investments | - | - | (1.95) | (17.20) | (11.65) |
| Investment in subsidiaries | (5.30) | (64.50) | - | - | - |
| Proceeds from disposal of non-current investments | 7.70 | - | 2.20 | - | 0.14 |
| Interest received | 34.14 | 41.15 | 18.98 | 28.38 | 36.18 |
| Investment in bank deposits (with maturity more than three months) (net) | 74.49 | 62.74 | (67.90) | (53.54) | 3.48 |
| **Net cash generated from / (used in) investing activities (B)** | **10.71** | **(58.59)** | **(146.04)** | **(149.40)** | **(69.58)** |
| | | | | | |
| **C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES** | | | | | |
| Proceeds from issue of equity share capital | 8.00 | - | 42.77 | - | - |
| Advance (given to) / repaid by enterprises in which directors are interested | - | - | - | 211.25 | (211.25) |
| Proceeds from / (Repayment of) long term borrowings | (3.49) | (3.16) | 8.21 | - | - |
| Proceeds from / (Repayment of) short term borrowings (net) | (38.17) | 214.66 | 115.94 | (106.85) | 167.05 |
| Interest paid | (43.59) | (28.38) | (14.49) | (7.07) | (12.69) |
| **Net cash generated from / (used in) financing activities (C)** | **(77.25)** | **183.12** | **152.43** | **97.33** | **(56.89)** |
| **Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)** | **86.85** | **73.08** | **86.43** | **4.62** | **(12.38)** |
| Effect of exchange differences on Cash & Cash Equivalents held in foreign currency | - | 2.49 | 2.83 | 1.79 | 0.17 |
| Cash and Cash Equivalents at the beginning of the year | 181.95 | 106.38 | 17.12 | 10.71 | 23.87 |
| Cash and Cash Equivalents transferred pursuant to demerger (Refer note 4 of Annexure IV A) | - | - | - | - | (0.95) |
| **Cash and Cash equivalents at the end of the year** | **268.80** | **181.95** | **106.38** | **17.12** | **10.71** |

**Matrimony.com Limited**
**Annexure III - Restated Unconsolidated Summary Statement of Cash Flows (continued)**

***(All amounts are in INR million unless otherwise stated)***

| Components of Cash and Cash Equivalents | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Cash on hand | 4.00 | 5.64 | 5.66 | 4.91 | 3.33 |
| Cheques on hand | 4.48 | 4.22 | 3.61 | 3.55 | 1.58 |
| Deposits with original maturity of less than three months | 240.00 | 161.00 | 30.00 | - | - |
| Balances with banks on current account | 20.32 | 11.09 | 67.11 | 8.66 | 5.80 |
| **Total** | **268.80** | **181.95** | **106.38** | **17.12** | **10.71** |

**Note:**

1) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profit and loss and cash flows as appearing in Annexure IVA and IVB.

As per our report of even date

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

**Shankar Srinivasan**
Partner
Membership No: 213271

Place: Mumbai
Date: April 29, 2017

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

**Murugavel Janakiraman**
Managing Director

**Avneet Singh Kochar**
Director

**K Balasubramanian**
Chief Financial Officer

**S Vijayanand**
Company Secretary

**Matrimony.com Limited**
**Annexure IV A - Notes to Restated Unconsolidated Summary Statements**

**Notes to the restated unconsolidated summary statement of assets and liabilities, profit and loss and cash flows for the years ended March 31, 2017, 2016, 2015, 2014 and 2013:**

## 1. Background

Matrimony.com Limited ("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 expanded into marriage services such as MatrimonyDirectory.com, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Company has also recently introduced MatrimonyPhotography.com to provide wedding photography and videography services. Up to the year ended March 31, 2012, the Company had a division which provided property listing and advisory services, which was demerged pursuant to the Court order with effect from April 1, 2012. Refer note 4 of Annexure IVA for further details.

The company changed its name from "Consim Info Private Limited" to "Matrimony.com Private Limited" with effect from August 17, 2012.

At the extra-ordinary general meeting of the shareholders held on December 2, 2014, the shareholders approved the conversion of the Company from Private limited Company to a Public limited Company, and approved the change in the name of the Company from Matrimony.com Private Limited to Matrimony.com Limited. The Company received a certificate of change in name from the Registrar of Companies on January 2, 2015.

### 2 Basis of preparation

The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the related Restated Unconsolidated Summary Statement of Profits and Losses and the Restated Unconsolidated Summary Statement of Cash Flows for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and annexures thereto (herein collectively referred to as 'Restated Unconsolidated Summary Statements') have been compiled by the management from the then audited unconsolidated financial statements of the Company for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The audited unconsolidated financial statements of the Company were prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) at the relevant time. The Company has prepared the audited unconsolidated financial statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 and as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India. The audited unconsolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used for the purpose of preparation of financial statements as at and for the year ended March 31, 2017, except for changes in accounting policies detailed in 3.14 "Segment Reporting" section in significant accounting policies.

The Restated Unconsolidated Summary Statements have been prepared to comply in all material respects with the requirements of Section 26 of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") as amended from time to time.

## 3 Summary of significant accounting policies

### 3.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### 3.2 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. Any trade discounts and rebates are deducted in arriving at the purchase price. 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 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 recognised in the statement of profit and loss when the asset is de-recognised.

The Company identifies and determines cost of each component/ part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, Plant and Equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

### 3.3 Depreciation on tangible fixed assets

Depreciation on Property, Plant and Equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by management. Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From the year March 31, 2015, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013, which prescribes useful lives for Property, Plant and Equipment which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Based on internal evaluation of past usage and technical assessments, the company has used rates arrived at based on following useful lives to provide depreciation on its Property, Plant and Equipment in each of the periods / years:

***(in years)***

| Category of assets | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Furniture and fixtures | 2-5 | 2-5 | 2-5 | 2-5 | 2-5 |
| Computer and Network Equipment | 4-6 | 4-6 | 4-6 | 6 | 6 |
| Vehicles | 5-8 | 5-8 | 5-8 | 5 | 5 |
| Plant & Machinery | 5 | 5 | 5 | 5 | NA |
| Office Equipment | 2-7 | 2-7 | 2-7 | 2-7 | 2-7 |

During the year ended March 31, 2013, the Company revised the estimated useful life of furniture and fixtures, office equipment, vehicles and leasehold improvements, which has resulted in additional charge of depreciation amounting to Rs. 12.66 million in that year. Further, during the year ended March 31, 2015, the Company revised the estimated useful lives of Computers and Network Equipment which has resulted in additional charge of depreciation amounting to Rs. 8.86 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

Wherever the Company has applied useful lives different from Schedule II of the Companies Act, 2013, adequate internal assessment and technical evaluation has been performed.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Leasehold improvements are amortised over the primary period of lease or useful life, whichever is lesser. The useful life for leasehold improvements is estimated as 7 years .

### 3.4 Intangible assets

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

Intangible assets are amortised 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 are amortised on straight line basis over the period of rights, ranging between 1 to 10 years.

Capitalised 'Portal Development' expense are amortised on straight line basis over the period of 3 years.

Computer software is depreciated using the straight-line method over a period based on management's estimate of useful lives of such software (3 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 financial year 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 accounted for in accordance with AS 5 Net profit or loss for the period, prior period items and changes in accounting policies.

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 recognised in the statement of profit and loss when the asset is derecognised.

*Research and development costs*

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

**3.5 Leases**

*Where the company is lessee*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**3.6 Borrowing Cost**

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

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

**3.7 Impairment of Property, Plant and Equipment and intangible assets**

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

Impairment losses are recognised 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.

**3.8 Investment**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**3.9 Revenue recognition**

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

*Income from services*

Revenue from subscriptions towards matrimony service contracts are recognised pro-rata over the period of the contract as and when services are rendered.

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

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

The Company collects service tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

*Interest*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**3.10 Foreign currency translation**

*Foreign currency transactions and balances*

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognised as income or as expenses in the period in which they arise.

**3.11 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 recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Retirement benefit in the form of gratuity is a defined benefit scheme. The costs of providing benefit under this plan are determined on the basis of actuarial valuation at each reporting period end, using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on the actuarial valuation at the reporting period 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.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

**3.12 Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current period and reversal of timing differences for the earlier periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income-tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the " Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement. The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### 3.13 Employee Stock Compensation Cost

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

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

### 3.14 Segment reporting

**Change in accounting policy**

**Identification of Segments**

In accordance with the Accounting Standard - 17- "Segment reporting" notified by Companies (Accounting Standard) Rules, 2014, the Company presented its segmental information adopting business segment as the primary reporting format and geographical segment as the secondary reporting format.

Till the previous year ended March 31, 2014, the Company has presented its entire business as a single segment.

During the year ended March 31, 2015, in view of certain new products launched by the company and based on the internal structure and evaluation of risks and rewards of the various section of the business, the company has identified three business segments viz. "Matchmaking services", "Marriage services and related sale of products" and "Others" segments as the primary reportable segments.

The segment disclosure for the earlier years have also been prepared and disclosed in accordance with the revised segment policy in these Restated Unconsolidated Summary Statements.

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services.

**Inter-segment transfers**

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**Allocation of common costs**

Common allocable costs are allocated to each segment on a reasonable basis.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### 3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

### 3.16 Provisions

A provision is recognised when the company has a present obligation as a result of 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 their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### 3.17 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### 3.18 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### 3.19 Measurement of EBITDA

As permitted by Schedule III of Companies Act, 2013 (erstwhile Revised Schedule VI to the Companies Act, 1956), the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs, finance income and tax expense.

### 4 Demerger of property listing and advisory services business

During the year ended March 31, 2013, the shareholders of the Company approved a composite Scheme of Arrangement and Demerger ("the Demerger Scheme") between the Company and India Property Online Private Limited ("India Property") under which, the property listing and advisory services business ("Demerged Undertaking") of the Company was demerged, transferred to and vested in India Property with effect from April 1, 2012 ("Appointed Date").The Demerger Scheme was sanctioned by the Hon'ble High Court of Judicature at Madras ("the Court") on February 15, 2013 and registered with the Registrar of Companies on March 1, 2013, thereby becoming effective and binding.

All assets and liabilities of the Demerged Undertaking as at April 1, 2012, were transferred to and vested in India Property on a going concern basis, at their respective book values. The excess of the assets over liabilities of the Demerged Undertaking aggregating to Rs. 4.23 million has been adjusted against Securities Premium account in accordance with the provisions of the Demerger Scheme. In consideration of the transfer of the Demerged Undertaking, the shareholders (equity and preference) of the Company were allotted 4,232,297 Equity shares of Re. 1/- each, credited as fully paid up in India Property, in the same proportion in which they held equity shares in the Company.

### 5 Employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 1.00 million. The plan assets are in the form of corporate bonds in the Company's name with Reliance Life Insurance Company Limited.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the amounts recognized in the balance sheet for the respective plans.

**Statement of profit and loss**

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Current service cost | 4.60 | 4.23 | 3.85 | 3.88 | 4.51 |
| Interest cost | 2.14 | 1.88 | 1.25 | 1.18 | 1.05 |
| Expected return on plan assets | (0.04) | (0.07) | (0.04) | (0.03) | (0.01) |
| Past service cost | - | - | - | - | - |
| Net actuarial (gain) / loss | 5.22 | 3.33 | 2.48 | 1.54 | 0.20 |
| **Net employee benefit expense (Refer Annexure XVI (A))** | **11.92** | **9.37** | **7.54** | **6.57** | **5.75** |

**Balance sheet**
**Details of provision for gratuity**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Defined benefit obligation | 39.11 | 31.52 | 25.95 | 20.82 | 16.48 |
| Fair value of plan assets | (0.39) | 0.72 | 1.02 | 0.42 | 0.23 |
| **Net liability recognised in the Balance Sheet** | **38.72** | **30.80** | **24.93** | **20.40** | **16.25** |
| | | | | | |
| Experience adjustments on plan liabilities-(loss)/gain | (4.81) | (3.08) | (3.07) | (1.75) | 1.75 |
| Experience adjustments on plan assets-(loss)/gain | (0.01) | (0.05) | - | (0.01) | 0.03 |

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

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Opening defined benefit obligation | 31.52 | 25.95 | 20.82 | 16.48 | 13.26 |
| Liability transferred on account of demerger (Refer note 4) | - | - | - | - | (1.89) |
| Current service cost | 4.60 | 4.23 | 3.85 | 3.88 | 4.51 |
| Interest cost | 2.14 | 1.88 | 1.25 | 1.18 | 1.05 |
| Actuarial (gain) / loss | 5.21 | 3.28 | 2.48 | 1.53 | 0.23 |
| Past service cost | - | - | - | - | - |
| Benefits paid | (4.36) | (3.82) | (2.45) | (2.25) | (0.68) |
| **Closing defined benefit obligation** | **39.11** | **31.52** | **25.95** | **20.82** | **16.48** |

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

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Opening fair value of plan assets | 0.72 | 1.02 | 0.42 | 0.23 | 0.06 |
| Expected return on plan assets | 0.04 | 0.07 | 0.04 | 0.03 | 0.01 |
| Contributions | 4.00 | 3.50 | 3.01 | 2.42 | 0.81 |
| Actuarial gain / (loss) | (0.01) | (0.05) | - | (0.01) | 0.03 |
| Benefits paid | (4.36) | (3.82) | (2.45) | (2.25) | (0.68) |
| **Closing fair value of plan assets** | **0.39** | **0.72** | **1.02** | **0.42** | **0.23** |
| | | | | | |
| Actuarial return on plan assets | 0.03 | 0.02 | 0.04 | 0.02 | 0.04 |
| **Actuarial assumptions** | | | | | |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Discount rate | 6.50% | 7.80% | 7.80% | 8.50% | 7.70% |
| Expected return on plan assets | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |
| Salary escalation | 8.00% | 8.00% | 8.00% | 10.00% | 10.00% |
| Attrition | 60.00% | 60.00% | 60.00% | 60.00% | 60.00% |

The overall expected rate of return on assets is determined based on the 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, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Expected contribution for the financial year following 2016 -17 is Rs. 19.21 million.

## 6 Operating Lease

Office premises (including retail outlets' premises) are obtained under non-cancellable operating leases. The lease rentals incurred during the year have been charged as expenses in the Statement of Profit and Loss, the details of which are given below. The lease term varies between 3 years to 9 years. The future lease rental payables as follows:

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Lease payments for the year | 173.60 | 179.46 | 175.30 | 172.04 | 167.00 |
| **Future lease payments:** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Not later than one year | 109.50 | 112.97 | 132.22 | 142.28 | 167.91 |
| Later than one year but not later than five years | 288.93 | 176.46 | 160.31 | 247.87 | 396.32 |
| Later than five years | 67.35 | 18.21 | 3.75 | 15.12 | 42.10 |

**7 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Principal amount due to micro and small enterprises | - | - | - | - | - |
| Interest due on above | - | - | - | - | - |
| **Total** | - | - | - | - | - |

The information regarding micro or small enterprise has been determined on the basis of information available with the management and there are no dues to Micro and Small Enterprises as on March 31, 2017.

**8 Employee Stock Option Scheme**

8.1 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.

**Details of Grant under ESOS 2014**

| Grant | Date of Grant | Number of options granted* | Vesting period | Manner of vesting |
|---|---|---|---|---|
| Grant 1 & 2 | 13-Oct-2010 | 3,236 | 13-Oct-2010 to 13-Oct-2011 | Eligible on a graded manner over a two year period with 75% of the grants vesting immediately on the date of the grant and the balance 25% of the grants vesting at the end of one year from the date of grant. |
| Grant 3, 4, 5 & 6 | 14-Apr-2014 | 381,772 | 14-Apr-2014 to 14-Oct-2018 | Eligible on a graded manner over four years and six months period with 30% of the grants vesting at the end of 12-30 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24-42 months from the date of grant and 36-54 months from the date of grant respectively. |
| Grant 7 & 8 | 25-Sep-2014 | 26,531 | 25-Sep-2014 to 01-Oct-2018 | Eligible on a graded manner over four years period with 30% of the grants vesting at the end of 18-24 months from the date of grant. The |

| Grant | Date of Grant | Number of options granted* | Vesting period | Manner of vesting |
|---|---|---|---|---|
| | | | | 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 | 17-Jul-2015 | 80,000 | 17-Jul-2015 to 01-Oct-2019 | Eligible on a graded manner over four year period with 25% of the grants vesting at the end of every 12 months starting from October 1, 2015. |
| Grant 10 | 09-Feb-2016 | 9,600 | 09-Feb-2016 to 01-Apr-2020 | Eligible on a graded manner over four year period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017. |
| Grant 11 | 30-Jun-2016 | 2,000 | 01-Jul-2017 to 01-Jul-2020 | Eligible on a graded manner over four year period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017. |

* The number of options granted were subsequently adjusted for bonus and consolidation of shares, wherever applicable. The impacts of such adjustments are also reflected in 8.2 below.

8.2 **Activity in the options outstanding under ESOS 2014**

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Options outstanding at the beginning of the year | 436,284 | 433,617 | 50,482 | 50,482 | 50,482 |
| Options lapsed during the year | (45,195) | (69,154) | - | - | - |
| Options granted during the year | 2,000 | 89,600 | 408,303 | - | - |
| Increase on account of Bonus (Refer note 5.4 and 5.8 in Annexure V for details) | - | - | 346,784 | - | - |
| Adjustments on account of Consolidation (Refer note 5.6 in Annexure V for details) | - | (17,779) | (255,424) | - | - |
| Options exercised during the year | (77,663) | - | (116,528) | - | - |
| Options outstanding at the end of the year | 315,426 | 4,36,284 | 433,617 | 50,482 | 50,482 |
| Options exercisable at the end of the year | 152,701 | 104,072 | - | 50,482 | 50,482 |

The weighted average share price at the date of exercise of the options for the year ended March 31, 2017 and for the year ended March 31, 2016 was Rs. 103/- and Rs 109.75/- respectively.

8.3 **Details of Exercise price and Remaining contractual life of options outstanding:**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Exercise price per option (Rs.) | 103.00 to 350.00 | 103.00 to 350.00 | 103.0 0 | 97.75 | 97.75 |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| (Refer note below) | | | | | |
| Remaining contractual life of options (in years) | 3.04 to 5.25 | 4.04 to 6.00 | 5.04 to 6.51 | 2.34 | 3.34 |

Note:

Exercise price per option disclosed for the year ended March 31, 2013, 2014, 2015, 2016 and 2017 is after considering adjustments for bonus issues and the consolidation of shares effected during the years ended March 31, 2015 and March 31, 2016 mentioned in notes 5.4, 5.5 and 5.6 in Annexure V.

8.4 **Fair value methodology**

The Company has obtained fair valuation report from an independent valuer and the fair value is calculated using the Black Scholes model.

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Exercise price per option (Rs.) | 350.00 | 210.00 to 350.00 | 103.00 | - | - |
| Weighted average fair value per share | 350.00 | 210.00 to 350.00 | 103.00 | - | - |
| Weighted average fair value of options granted. | 25.14 | 28.81 to 94.92 | 83.00 | - | - |
| Expected volatility | 10% | 10.00% to 35.57% | 33.33% to 34.21% | - | ` |
| Life of the options granted (vesting and exercise period in years) | 3.50 to 6.50 Years | 3.60 to 6.71 years | 4 to 6.97 years | - | - |
| Average risk free interest rate | 7.13% to7.54% | 7.63% to 8.06% | 8.57% to 9.11% | - | - |
| Expected dividend yield | 0% | 0% | 0% | - | - |

Note:

Exercise price per option, weighted average fair value of options granted and weighted average fair value per share disclosed above are adjusted for bonus issues and the consolidation of shares effected during the year ended March 31, 2015 and March 31, 2016 respectively, mentioned in note 5.4, 5.5 and 5.6 in Annexure V.

The Company has not issued any Grants under the Scheme in the financial year ended March 31, 2014 and March 31, 2013

8.5The Company follows the intrinsic value model for valuation of its options under various plans. Cost to be accounted as per this model is Rs. Nil. In accordance with Para 48 of the Guidance note on accounting for employee share based payments issued by Institute of Chartered Accountants of India, had the compensation cost for employee stock option plan been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the pro forma amounts of the Company's net profit / (loss) and earnings per share would have been as follows:

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Profit / (Loss) after tax from total operations** | | | | | |
| - As reported | 225.31 | (231.03) | (44.65) | (82.38) | 94.59 |
| - Pro forma | 222.76 | (236.89) | (55.27) | (82.38) | 94.59 |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| | | | | | |
| **Earnings per share in Rs.** | | | | | |
| **Basic** | | | | | |
| - As reported | 11.90 | (15.63) | (3.07) | (5.76) | 6.62 |
| - Pro forma | 11.77 | (16.03) | (2.48) | (5.76) | 6.62 |
| **Diluted** | | | | | |
| - As reported | 10.50 | (15.63) | (3.07) | (5.76) | 4.49 |
| - Pro forma | 10.38 | (16.03) | (2.48) | (5.76) | 4.49 |

There are no unvested options outstanding as on March 31, 2013 and 2014.

## 9 Deferred tax

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Deferred tax liability** | | | | | |
| Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 7.67 | 10.22 | - | - | 0.92 |
| **Gross deferred tax liability** | **7.67** | **10.22** | **-** | **-** | **0.92** |
| | | | | | |
| **Deferred tax asset** | | | | | |
| Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting | - | - | 1.98 | 1.26 | - |
| Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis | 31.79 | 28.02 | 24.56 | 16.02 | 22.40 |
| Provision for diminution in the value of investment in subsidiaries | 24.83 | 23.00 | - | - | - |
| Provision for doubtful debts and advances | 2.95 | 2.41 | 0.28 | 0.38 | 0.10 |
| Provision for deposits | 0.62 | 0.62 | 0.58 | 0.33 | 0.31 |
| Unabsorbed depreciation carried forward | 43.59 | 56.65 | 43.15 | 24.34 | 6.19 |
| Business losses carried forward | 21.98 | 211.49 | 184.87 | 237.04 | 225.42 |
| **Gross deferred tax asset** | **125.76** | **322.19** | **255.42** | **279.37** | **254.42** |
| | | | | | |
| **Deferred tax asset restricted to** | **7.67** | **10.22** | **-** | **-** | **0.92** |
| **Net deferred tax asset / deferred tax liability** | - | - | **-** | **-** | **-** |

Note:

1) The Company received assessment orders from the Assessing Officer of Income tax for various assessment years 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. 103.30 million, 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. In relation to the other assessment years, the matter is pending with CIT (Appeals). Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceeding would be favourable.

The Company is contesting the demands in relation to other matters raised by the respective tax authorities aggregating to Rs.0.13 million, and the management, including its tax advisers, believes that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

2) In the absence of virtual certainty supported by convincing evidence, deferred tax asset arising on account of the carried forward business losses (including unabsorbed depreciation) and other disallowances has been restricted to the extent of the deferred tax liability, if any.

**10 Commitments, Claims and Other Contingent Liabilities**

**A) Commitments**

**Capital commitments:**

The details of capital commitments as at the balance sheet date are as below:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Capital commitments (net of advances and deposit) | 389.01 | 8.30 | 23.01 | 7.08 | 0.40 |

**Other commitments:**

For commitments relating to operating lease, refer note 6 of Annexure IVA.

**B) Claims against the Company not acknowledged as debt**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Claims against the Company not acknowledged as debt | - | - | Refer note C (ii) | Refer note C (ii) | Refer note C (ii) |

**C) Guarantees**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Corporate guarantee – on behalf of Matchify Services Private Limited- (Refer note (i) below) | - | 0.25 | 0.25 | - | - |
| Corporate guarantee – on behalf of Consim Info USA Inc - Refer note (ii) below | 194.43 | 463.54 | - | - | - |

**Note:**

(i) The Company has provided corporate guarantee to Matchify Services Private Limited (a wholly owned subsidiary) in respect of financial obligation up to Rs. 0.25 million. The corporate guarantee was expired on March 31, 2016.

(ii) In a law suit filed in May 2011 in the Superior Court of New Jersey, Mercer County, Law Division, USA by certain plaintiffs, against the Company's US subsidiary Consim Info USA Inc., USA, ("Consim US") Infonauts Inc., USA ("Infonauts US") (Promoter owned entity) and subsequently in 2012, Murugavel Janakiraman ("Promoter") and the Company were made co-defendants. The Company along with the other defendants entered into a binding Settlement Agreement ("Agreement") with the plaintiffs on December 30, 2015 to settle the abovementioned litigation. As per the terms of this Agreement, Consim US is to pay the plaintiffs, a sum of eight million dollars (USD 8,000,000) ("Settlement Amount"), in full settlement of the plaintiffs' claims against the defendants. The settlement amount is to be paid in 22 instalments ("Settlement Payment") and is supported by an irrevocable corporate guarantee from the Company. Upon execution of the Agreement, Consim US executed a confession of judgment on December 30, 2015 in favour of the plaintiffs ("Confession of Judgement"). The Confession of Judgement acknowledges a debt owed by Consim US to the plaintiffs corresponding to the Settlement Amount, and may be enforced by the plaintiffs if Consim US does not make any of the Settlement Payments. If Consim US fails to make any of the remaining Settlement Payment in terms of the Agreement, the US Plaintiffs may invoke the corporate guarantee requiring the Company to make the relevant Settlement Payment within 15 days. If the Settlement Payment is not furnished by the Company within 15 days, (a) the remaining Settlement Amount will be due immediately with interest at the rate of the 8.75% over the Prime Rate (being the rate charged by US banks as reported by the Wall Street Journal's bank survey), on the unpaid amount, and (b) the Plaintiffs will be entitled to file and enforce the Confession of Judgement. The Company obtained the regulatory approval from the Reserve Bank of India for the provision for such corporate guarantee and has executed a Deed of Guarantee with the plaintiff and Consim US, guaranteeing the payment of the Settlement Amount by Consim US. Consim US has commenced the payments under the Settlement Agreement and the first payment of one million dollars (USD$ 1,000,000) was made on March 28, 2016. After the payment of first instalment of the settlement, the parties filed for and obtained the dismissal of the litigation in New Jersey and in India. The remaining settlement payments are due on the last day of each month commencing after the first Settlement Payment, from April 2016 till December 2017 and are required to be of a minimum of USD$ 250,000, provided that the total paid in each quarter is at least USD$ 1,000,000. Consim US had paid the amounts due till March 31, 2017.

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

In order to accede to the entry of, and the terms of the Settlement Agreement, the Company along with other defendants entered into an inter-se agreement on December 21, 2015 and subsequently amended on April 29, 2017 ("Inter Se Agreement"). In the Inter Se Agreement, in settlement of any claims that the Company may have against the Promoter in relation to this law suit, the Promoter has agreed to make a voluntary contribution of US$ 2,000,000 ("Voluntary Contribution") to the Company. The Voluntary Contribution will be made by the Promoter upon the Company calling upon the Promoter to pay the Voluntary Contribution on the expiry of 15 months of the date of allotment of its equity shares pursuant to the Initial public offering ("IPO"), and in the event the IPO does not happen by September 30, 2017, no later than March 31, 2018. The Company has not made such claim / call on the Promoter as at the date of these financial statements.

**D) Contingent liabilities**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Service tax | Refer note (i) below | Refer note (i) below | Refer note (i) below | Refer note (i) below | Refer note (i) below |
| FEMA non-compliance | Refer note (iv) below | - | Refer note (ii) below | Refer note (ii) below | Refer note (ii) below |
| Payment of Bonus Act | Refer note (iii) below | Refer note (iii) below | Refer note (iii) below | - | - |

**Note:**

(i) The Company has certain pending litigations with CESTAT, and on a prudent basis, the Company has provided for the service tax liabilities and interest. Further the Company received a demand order from Commissioner of Service tax for the period 2007-08 to 2009-10 under section 78 of the Finance Act regarding non-payment of service tax on import of certain services made during that period. The Company admitted the liability and made payments along with interest. Based on legal consultation, it believes that no provision is required to be made in the books in respect of the penalty of Rs. 6.91 million demanded by the authorities.

(ii) The Company has filed compounding application dated May 16, 2015 under Foreign Exchange Management Act, 1999 in response to the compounding memo issued by Reserve Bank of India for the delay in intimation of inward remittance towards investments received from non-resident investors and filing of Form FC-GPR for certain cases. The Reserve Bank of India vide compounding order dated November 6, 2015 charged an amount of Rs.0.82 million towards compounding of contraventions of the provisions of Foreign Exchange Management Act, 1999. The Company has paid the full amount on December 1, 2015.

(iii) During the year ended March 31, 2016, 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.5.50 million. 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.

(iv) In earlier years, the Company and its wholly owned overseas subsidiary had made certain remittances aggregating to USD 0.004 million towards equity capital for the incorporation of two entities. The said two companies did not commence commercial operations and one of which was liquidated in 2013. During October 2016, the Company received a communication from the Reserve Bank of India ("RBI") intimating the Company on their contraventions to the provisions of the Foreign Exchange Management Act, 1999 ('FEMA Regulations') in respect of these remittances made in earlier years. The Company has filed applications with RBI for compounding of these offences pursuant to the applicable provisions of FEMA Regulations. Based on the communication received from the RBI on this matter and the nature of these contraventions, management believes that the matter will not have any material impact on the financial statements.

**11 Specified Bank Notes (SBNs)**

The Company's operations are spread across more than 140 retail outlets across various States in India. Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, the Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in Specified Bank Notes post November 8, 2016. Further, the collections in cash made during this period were substantially lower than that of the same period in the previous year and overall, contribute an insignificant portion of the revenues / collections of the Company.

The Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by the Company during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. The below information has been compiled based on the information presently available from the Company's books of accounts and other records (including cash deposit challans to the extent available). The Company has also sought further information from the bankers of the Company which is awaited as of the date of approval of these financial statements.

| Particulars | SBNs* | Other Denomination Notes | Total |
|---|---|---|---|
| Closing cash in hand as on November 08, 2016 | 3,640,500 | 420,980 | 4061480 |
| (+) Permitted receipts | - | 39,213,300 | 39,213,300 |
| (-) Permitted Payments | - | - | - |
| (-) Amount deposited in Banks | 3,640,500 | 37,131,845 | 40,772,345 |
| **Closing cash in hand as on December 30, 2016** | **-** | **2,502,435** | **2,502,435** |

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**12 Change in the business model**

Until December 14, 2015, Consim Info USA Inc, USA ("Consim US") was engaged in the provision of agency services to the Company in relation to the overseas matchmaking business ("NRI Business") of the Company. Consim US was also engaged in providing marketing support and collection of subscription money from customers. However, with effect from December 15, 2015, owing to the change in business strategy, the Company commenced operating under a 'Business license' model instead of the erstwhile 'agency' model. Under the new business model, Consim US shall operate the NRI Business on its own account and receive the subscription money from NRI matchmaking customers. Further Consim US performs significant functions in relation to the NRI Business and bear the consequent risks of its operations. In order to facilitate such change, the Company entered in to a Business License Agreement for use of the Company's brand, domain names and also avail the database / portal access. In addition to it, the Company has also entered in to Shared Service Arrangement for infrastructure and marketing support.

As per our report of even date

| | | |
|---|---|---|
| **For S. R. BATLIBOI & ASSOCIATES LLP**<br>Chartered Accountants<br>ICAI Firm Registration No.: 101049W/E300004 | **For and on behalf of the Board of Directors of Matrimony.com Limited** | |
| **Shankar Srinivasan**<br>Partner<br>Membership No: 213271 | **Murugavel Janakiraman**<br>Managing Director | **Avneet Singh Kochar**<br>Director |
| Place: Mumbai<br>Date: April 29, 2017 | **K Balasubramanian**<br>Chief Financial Officer | **S Vijayanand**<br>Company Secretary |

**Matrimony.com Limited**
**Annexure IV B - Notes on material adjustments**

Summary of results of restatement made in the audited unconsolidated summary statements for the respective years and its impact on the profits / (losses) of the Company is as follows:

Figures in brackets represent decrease in profits.

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **(A) Net profit / (loss) as per audited financial statements** | 225.31 | (231.03) | (44.35) | (82.38) | 18.84 |
| | | | | | |
| **Restated adjustments:** | | | | | |
| True up of revenue based on revised revenue recognition workings (Refer note 1 (a)) | - | - | - | - | 70.14 |
| Lease rent adjustment, for straight lining of leases (Refer note 1(b)) | - | - | - | - | 5.61 |
| Reversal of provision made for diminution of investment in erstwhile subsidiary (Refer note 1(c)) | - | - | (0.30) | - | - |
| | | | | | |
| **(B) Total adjustments** | **-** | **-** | **(0.30)** | **-** | **75.75** |
| | | | | | |
| **Tax impact on the above adjustments** | **-** | **-** | **-** | **-** | **-** |
| | | | | | |
| **Restated profit / (loss) ( A+B)** | **225.31** | **(231.03)** | **(44.65)** | **(82.38)** | **94.59** |

**1 Restatement adjustments**

**a) Revenue recognition**

Up to the year ended March 31, 2012, the Company recognised the subscription revenues by allocating the same over the subscription period in terms of months rather than day basis. During the year ended March 31, 2013, the Company rectified the same by recognising the subscription income over the subscription period in terms of days. The impact of such adjustment amounted to Rs. 70.14 million which was recognised as prior period item in the audited financial statements for the year ended March 31, 2013 has been considered to arrive at the opening reserves as at April 1, 2012. Refer note 4 below for further details.

**b) Straight-lining of operating lease expenses**

During the year ended March 31, 2013, the Company made adjustment towards the accrual of lease rent cost not recognised in the previous year by straight-lining the lease payments over the duration of the operating leases. The impact of such adjustment amounted to Rs. 5.61 million which was recognised as prior period expense in the audited financial statements for the year ended March 31, 2013, has been adjusted in the respective years and has been considered to arrive at the opening reserves as at April 1, 2012. Refer note 4 below for further details.

**c) Sale of investment and redemption of debenture in subsidiary**

Pursuant to a share purchase and share holders' agreement dated March 21, 2012 entered with certain buyers, the Company sold its investment of 67,700 equity shares in Perspi Interactive Private Limited to such buyers. Against the investment in the equity shares and debentures, the Company had made a provision of diminution in the value of investments amounting to Rs. 13.27 million, during the year ended March 31, 2010 and March 31, 2011. On redemption of debentures during the year ended March 31, 2012 and on sale of equity shares during the year ended March 31, 2015, the Company reversed the provision against such investments amounting to Rs. 12.97 million and Rs.0.30 million as other income during the year ended March 31, 2012 and March 31, 2015 respectively. As part of other adjustments, such reversal has been made in the respective years in which the provision was originally created. The impact on the profit prior to the year ended March 31, 2012 amounting to Rs. 0.30 million has been considered to arrive at the opening reserves as at April 1, 2012. Refer note 4 below for further details.

## 2 Change in accounting policy

During the year ended March 31, 2015, in view of certain new products launched by the company and based on the internal structure and evaluation of risks and rewards of the various section of the business, the company has identified three business segments viz. "Matchmaking Services", "Marriage services and related sale of products" and "Others"segments as the primary reportable segments.

In the financial statements for the year ended March 31, 2015, this change in identification of segments has been identified as change in accounting policy.

The disclosure of segment information for the earlier years presented have also been restated and disclosed in accordance with the revised segment policy in these Restated Unconsolidated Summary Statements.

## 3 Material regroupings

Appropriate adjustments have been made in the restated unconsolidated summary statements of Assets and Liabilities, Profit and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended March 31, 2017, prepared in accordance with revised Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009, as amended.

## 4 Restatement adjustments made in the audited opening balance figure in the net deficit on the statement of the profit and loss as at April 01, 2012

| Particulars | Amount (in Rs. million) |
|---|---|
| **(A) Net deficit in the statement of profit and loss as at April 1, 2012 as per the audited financial statements** | **(944.24)** |
| **Other Adjustments** | |
| True up of revenue based on revised revenue recognition workings (Refer note 1(a)) | 70.14 |
| Lease rent adjustment, for straight lining of leases (Refer note 1(b)) | 5.61 |
| Reversal of provision made for diminution of investment in erstwhile subsidiary (Refer note 1(c)) | (0.30) |
| **(B) Total Adjustments** | **75.45** |
| **Tax adjustments on the same** | - |
| **Net deficit in the statement of profit and loss as at April 1, 2012 (as restated)** | **(1,019.69)** |

## 5 Non adjusting items

**A) Audit qualifications included in the Auditor's report pursuant to Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 on the unconsolidated financial statements for the financial years ended 2017 and in the Annexure to the Auditor's report issued under Companies (Auditor's Report) Order, 2016, 2015, 2003 (as amended, and as applicable), on the unconsolidated financial statements for the financial years ended 2016, 2015, 2014 and 2013 which do not require any corrective adjustment in the financial information, are as follows:**

**I) Auditor's report pursuant to Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 for the financial year ended March 31, 2017**

The Company has provided requisite disclosures in Note 38 to these standalone financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more fully described in Note 38 to these standalone financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the company and produced to us for verification.

The aforesaid Note 38 to the standalone financial statements for the year ended March 31, 2017 has been reproduced in Note 11 of Annexure IV A to the Restated Unconsolidated Summary Statements.

**II) Annexure to auditor's report for the financial year ended March 31, 2016**

(i) Clause (vii)(a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, customs duty, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases of service tax. Undisputed statutory dues relating to value added tax have not been regularly deposited with the authorities and there have been serious delays in large number of cases. The provisions relating to excise duty are not applicable to the Company.

**III) Annexure to auditor's report for the financial year ended March 31, 2015**

(i) Clause (viii)

The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company has incurred cash loss.

**IV) Annexure to auditor's report for the financial year ended March 31, 2014**

(i) Clause (ix) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of service tax. The provision relating to excise duty, investor education and protection fund and sales-tax are not applicable to the Company.

(ii) Clause (x)

The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and the Company has incurred cash losses in the current year. In the immediately preceding financial year, the Company has not incurred cash loss.

**V) Annexure to auditor's report for the financial year ended March 31, 2013**

(i) Clause (ix) (a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of service tax. The provision relating to excise duty, investor education and protection fund and sales-tax are not applicable to the Company.

(ii) Clause (x)

The Company's accumulated losses at the end of the financial year are more than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

**B) Change in the estimated useful life of Property, Plant and Equipment**

During the year ended March 31, 2013, the Company revised the estimated useful life of furniture and fixtures, office equipment, vehicles and leasehold improvements, which has resulted in additional charge of depreciation amounting to Rs. 12.66 million in that year. Further, during the year ended March 31, 2015, the company revised the estimated useful lives of Computers and Network Equipment which has resulted in additional charge of depreciation amounting to Rs.8.86 million in that year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

As per our report of even date

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

**Shankar Srinivasan**
Partner
Membership No: 213271

Place: Mumbai
Date: April 29, 2017

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

**Murugavel Janakiraman**
Managing Director

**Avneet Singh Kochar**
Director

**K Balasubramanian**
Chief Financial Officer

**S Vijayanand**
Company Secretary

**Matrimony.com Limited**
**Annexure V - Restated unconsolidated statement of share capital**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Share capital** | | | | | |
| **Authorised** | | | | | |
| 36,000,000 Equity shares of Rs.5/- each (March 31, 2016: 36,000,000 Equity shares of Rs.5/- each; March 31, 2015: 60,000,000 Equity shares of Rs.3/- each; March 31, 2014: 40,000,000 equity shares of Rs. 3/- each; March 31, 2013: 40,000,000 equity shares of Rs. 3/- each) | 180.00 | 180.00 | 180.00 | 120.00 | 120.00 |
| 4,200,000 OCPS/CCPS of Rs.5/- each (March 31, 2016: 4,200,000 (OCPS)/(CCPS) of Rs.5/- each: March 31, 2015: 7,000,000 (OCPS)/(CCPS) of Rs.3/- each: March 31, 2014: 7,000,000 OCPS/CCPS of Rs. 3/- each; March 31, 2013: 7,000,000 OCPS/CCPS of Rs. 3/- each;) | 21.00 | 21.00 | 21.00 | 21.00 | 21.00 |
| **Total** | **201.00** | **201.00** | **201.00** | **141.00** | **141.00** |
| **Issued, subscribed and fully paid-up** | | | | | |
| 21,241,591 Equity shares of Rs.5/- each (March 31, 2016: 14,778,256 Equity shares of Rs.5/- each; March 31, 2015: 24,630,426 Equity shares of Rs.3/- each; March 31, 2014: 13,463,632 equity shares of Rs. 3/- each; March 31, 2013: 13,463,632 equity shares of Rs. 3/- each) | 106.21 | 73.89 | 73.89 | 40.39 | 40.39 |
| Nil OCPS of Rs. 3/- each (March 31, 2014: 43,078 OCPS of Rs. 3/- each; March 31, 2013: 43,078 OCPS of Rs. 3/- each (Series - A) | - | - | - | 0.13 | 0.13 |
| Nil CCPS of Rs.5/- each (March 31, 2016: 1,932,300 CCPS of Rs.5/- each) (Series - A) (March 31, 2015: 3,220,500 CCPS of Rs.3/- each) (March 31, 2014: 3,317,110; March 31, 2013: 3,317,110) | - | 9.67 | 9.67 | 9.95 | 9.95 |
| Nil CCPS of Rs.5/- each (Series - B) (March 31, 2016: 1,420,552 CCPS of Rs.5/- each) (March 31, 2015: 2,367,586 CCPS of Rs.3/- each) (March 31, 2014: 2,545,842 CCPS of Rs. 3/- each; March 31, 2013: 2,545,842 CCPS of Rs. 3/- each) | - | 7.10 | 7.10 | 7.64 | 7.64 |
| Nil CCPS of Rs.5/- each (Series - C) (March 31, 2016: 254,872 CCPS of Rs.5/- each) (March 31, 2015: 424,788 CCPS of Rs.3/- each) (March 31, 2014: 424,788 CCPS of Rs. 3/- each; March 31, 2013: 424,788 CCPS of Rs. 3/- each) | - | 1.27 | 1.27 | 1.27 | 1.27 |
| **Total** | **106.21** | **91.93** | **91.93** | **59.38** | **59.38** |

**Notes:**

**1 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.

**2 Terms of conversion of CCPS**

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

Consequent to the grant of bonus shares to equity shares holders as detailed in notes 5.4 and 5.5 below, the conversion ratio for such CCPS were revised in accordance with the terms of the underlying agreements to stand at 1.77 resultant equity shares for every preference share held in the Company.

**3** The Company has not issued shares for consideration other than cash, except for the conversion / bonus issue mentioned in note 5.4, 5.5 and 5.6 below.

**4** For details of shares reserved for issue under the employee stock option plan of the company, please refer note 8 in Annexure IV-A.

**5 Details of shares transactions during the year ended March 31, 2017, 2016, 2015, 2014 and 2013**

5.1 On December 31, 2014, the authorised share capital of the Company has been increased from Rs. 141.00 million (including 40,000,000 equity shares of Rs. 3/- and 70,00,000 OCPS/CCPS of Rs. 3/- each ) to Rs. 201.00 million (including 600,00,000 equity shares of Rs. 3/- each and 70,00,000 equity shares of Rs. 3/- each).

5.2 On November 26, 2014, the Company converted 1,254 (Series - A) OCPS of face value Rs. 3/- each, 96,610 (Series - A) CCPS of face value Rs. 3/- each and 1,78,256 (Series - B) CCPS of face value Rs. 3/- each into equal number of equity shares of face value of Rs. 3/- each.

5.3 On December 30, 2014, the Company issued 49,783 fully paid-up equity shares of face value Rs. 3/- per share on preferential basis.

5.4 On December 31, 2014, the Company issued bonus shares to the existing shareholders, in the ratio of 18:100. The Securities premium account was utilised to the extent of Rs. 7.47 million for the issue of said bonus shares.

5.5 On January 27, 2015, the Company issued bonus shares to the existing shareholders, in the ratio of 1:2. The Securities premium account was utilised to the extent of Rs. 24.48 million for the issue of said bonus shares.

5.6 On August 5, 2015, in the Extraordinary General Meeting held, the Shareholders have approved the consolidation of the 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.

5.7 On August 10, 2016, in the Annual General Meeting held, the Shareholders approved the allotment of equity shares pursuant to conversion of 2,609,106 & 998,618 Compulsorily Convertible Preference Shares of Rs. 5/- each held by CMDB II & Mayfield XII, Mauritius respectively. The conversion ratio approved by the Shareholders is 1.77:1. Accordingly, 4,618,118 & 1,767,554 new equity shares of Rs. 5/- each have been issued and allotted to CMDB II & Mayfield XII, Mauritius respectively as fully paid up. There are no outstanding Compulsorily Convertible Preference Shares post conversion.

5.8 The Company issued 116,528 and 77,663 equity shares under employee stock option plan at price of Rs 109.75/- (Face value Rs 3/- per share) and Rs. 103/- (face value Rs. 5/- per share) during the year ended March 31, 2015 and year ended March 31, 2017 respectively.

5.9 Consequent to the consolidation of shares mentioned in 5.6 above, 12 equity shares representing fractions of less than one equity share of Rs. 5/- each have been transferred to Mr. Murugavel Janakiraman, Promoter and Managing Director, who will act as a trustee for and on behalf of such equity shareholders holding fractional shares.

**Matrimony.com Limited**
**Annexure VI - Restated unconsolidated statement of reserves and surplus**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Securities premium account** | | | | | |
| Balance as per last financial statements | 21.51 | 21.51 | 11.28 | 936.68 | 940.91 |
| Add: receipt on issue of equity and preference shares | - | - | 37.69 | - | - |
| Add: additions on ESOP exercised | 7.61 | - | 4.59 | - | - |
| Less: amounts adjusted on capital restructuring (refer note 3 below) | - | - | - | (925.40) | - |
| Less: utilised for bonus shares issued (refer note 4 & 5 below) | - | - | (31.95) | - | - |
| Less: utilised for bonus shares issued on conversion of preference shares (refer note 6 & 7 below) | (13.89) | - | (0.10) | - | - |
| Less: adjustment related to demerger (refer note 4 of annexure IV A) | - | - | - | - | (4.23) |
| **Closing balance** | **15.23** | **21.51** | **21.51** | **11.28** | **936.68** |
| | | | | | |
| **B. Deficit i.e. the balance in statement of profit and loss as restated** | | | | | |
| Balance as per last financial statements as restated | (358.57) | (127.54) | (82.09) | (925.11) | (1,019.70) |
| Add: amounts adjusted on capital restructuring (refer note 3 below) | - | - | - | 925.40 | - |
| Less: amounts adjusted as per transitional provisions of Schedule II of Companies Act, 2013 | - | - | (0.80) | - | - |
| Add: restated profit / (loss) for the year | 225.31 | (231.03) | (44.65) | (82.38) | 94.59 |
| **Net deficit in the statement of profit and loss as restated** | **(133.26)** | **(358.57)** | **(127.54)** | **(82.09)** | **(925.11)** |
| | | | | | |
| **Total (A+B)** | **(118.03)** | **(337.06)** | **(106.03)** | **(70.81)** | **11.57** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A and IV B.

3) During the year ended March 31, 2014, the Company submitted a petition to the Hon'ble High Court of Judicature at Madras u/s 78 read with sections 100 to 105 of the Companies Act, 1956 to set-off the accumulated book losses as at March 31, 2013 amounting to Rs. 925.40 million against the unutilised portion of the "Securities Premium" as at March 31, 2013. The same has been approved by the Hon'ble High court on December 20, 2013, pursuant to which the amount of Rs. 925.40 million has been adjusted in books against Securities Premium.

4) On December 31, 2014 Company issued bonus shares to the existing shareholders, in the ratio of 18:100 and securities premium account was utilised to the extent of Rs. 7.47 million for such issue.

5) On January 27, 2015, the Company issued bonus shares to the existing shareholders, in the ratio of 1:2 and securities premium account was utilised to the extent of Rs. 24.48 million for such issue.

6) On March 15, 2015, the Company converted 41,824 optionally convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 0.10 million for the conversion.

7) On August 10, 2016, the Company converted 3,607,724 compulsory convertible preference shares into 6,385,672 equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 13.89 million for such conversion.

8) During the year ended March 31, 2012, the Company issued bonus shares in the ratio of 77:1 to all the shareholders of the Company. The equity shareholders were issued additional equity shares and the preference shareholders were issued additional compulsorily convertible preference shares as per the bonus ratio.

**Matrimony.com Limited**
**Annexure VII - Restated unconsolidated statement of long-term and short-term borrowings**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **A. Long-term borrowings** | | | | | |
| **Secured** | | | | | |
| Vehicle loan (refer note 5 below) | 1.56 | 5.05 | 8.21 | - | - |
| Less: Current maturities of long term debts (refer annexure IX(B)) | (1.56) | (3.49) | (3.19) | - | - |
| | **-** | **1.56** | **5.02** | **-** | **-** |
| | | | | | |
| **B. Short-term borrowings** | | | | | |
| **Secured** | | | | | |
| Bank overdraft (refer note 6 below) | 443.76 | 481.93 | 267.27 | 148.13 | 254.98 |
| | **443.76** | **481.93** | **267.27** | **148.13** | **254.98** |
| | | | | | |
| **Total (A + B)** | **443.76** | **483.49** | **272.29** | **148.13** | **254.98** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV A & IV B.

3) There are no unsecured loans availed by the Company.

4) There are no loans taken from Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of directors / Subsidiary Companies.

5) The vehicle loan amounting to Rs. 10.00 million has been sanctioned by HDFC Bank which carries an interest rate of 10.01% p.a. and is secured by hypothecation of vehicle. The said loan is repayable in 36 equated monthly installments commencing from September 5, 2014.

6)\ As of March 31, 2017, the Overdraft facility is maintained with HDFC Bank which carries an interest rate of 9.00 % p.a and is repayable on demand. The said facility is secured by hypothecation of all current assets of the Company as a primary security. In addition to it, as a collateral security, fixed deposits of Rs. 500 million along with the applicable accrued interest on the said fixed deposits have been lien marked in favour of the Bank along with the personal guarantee of the promoter and managing director of the Company.

7) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**

**Annexure VIII - Restated unconsolidated statement of other long- term liabilities and long-term provisions**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Other long term liabilities** | | | | | |
| Deferred revenue | 2.39 | 10.74 | 11.33 | 0.11 | 0.19 |
| Dues to related parties (refer note 3 & 4 below) | - | - | 23.45 | 52.29 | - |
| Security deposit | - | - | - | - | 0.02 |
| **Total other long term liabilities** | **2.39** | **10.74** | **34.78** | **52.40** | **0.21** |
| | | | | | |
| **B. Long-term provisions** | | | | | |
| Provision for gratuity | 19.51 | 16.18 | 12.84 | 10.50 | 8.09 |
| **Total long-term provisions** | **19.51** | **16.18** | **12.84** | **10.50** | **8.09** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) Amounts due to Directors / Promoters / Promoter Group Companies / Group Companies/ Relatives of Promoters / Relatives of directors / Subsidiary companies:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Consim Info USA Inc., USA | - | - | 23.45 | 52.29 | - |
| | **-** | **-** | **23.45** | **52.29** | **-** |

4) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure IX - Restated unconsolidated statement of trade payables, other current liabilities and short term provisions**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Current liabilities (other than short-term borrowings)** | | | | | |
| **A. Trade payables** | | | | | |
| Total outstanding dues of trade payables other than micro and small enterprises (refer note 7 of Annexure IVA for details of due to micro and small enterprises) | 119.94 | 245.38 | 167.75 | 149.18 | 141.28 |
| Dues to employees | 40.70 | 43.32 | 28.47 | 17.33 | 7.59 |
| Dues to related parties (refer note 5 below) | - | 9.54 | 12.20 | 43.11 | 33.53 |
| **Total trade payables (A)** | **160.64** | **298.24** | **208.42** | **209.62** | **182.40** |
| | | | | | |
| **B. Other current liabilities** | | | | | |
| Current maturities of long term debt | 1.56 | 3.49 | 3.19 | - | - |
| Deferred revenue | 504.30 | 479.22 | 378.40 | 334.71 | 284.74 |
| Share application money refundable (refer note 3 below) | - | - | - | 19.20 | - |
| Advances from customers | 8.17 | 11.07 | 4.85 | 2.92 | 5.10 |
| Withholding and other taxes payable | 18.92 | 26.78 | 21.76 | 15.39 | 19.42 |
| Payables for capital purchases | 13.91 | 50.38 | 2.87 | 7.80 | 7.56 |
| Dues to related parties (refer note 5 below) | - | 24.83 | 31.27 | 1.49 | - |
| **Total other current liabilities (B)** | **546.86** | **595.77** | **442.34** | **381.51** | **316.82** |
| | | | | | |
| **C. Short-term provisions** | | | | | |
| Provision for gratuity | 19.21 | 14.62 | 12.10 | 9.90 | 8.16 |
| Provision for leave benefits | 19.55 | 19.92 | 17.18 | 14.47 | 18.62 |
| Provision for litigations (refer note 4 below) | 19.38 | 17.62 | 17.62 | 1.33 | 25.05 |
| **Total short-term provisions (C)** | **58.14** | **52.16** | **46.90** | **25.70** | **51.83** |
| | | | | | |
| **Total current liabilities (A+B+C)** | **765.64** | **946.17** | **697.66** | **616.83** | **551.05** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) During the year ended March 31, 2014, the Company received share application money from its promoter (Mr. Murugavel Janakiraman) and the same has been subsequently refunded during the year ended March 31, 2015.

4) The movement of provision for litigation in respect of each of the years is given below:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Opening balance | 17.62 | 17.62 | 1.33 | 25.05 | 28.61 |
| Additions | 1.76 | - | 16.29 | 0.75 | 3.21 |
| Utilisation / payment | - | - | - | (24.47) | (6.77) |
| Closing balance | **19.38** | **17.62** | **17.62** | **1.33** | **25.05** |

(a) **Service tax**: The Company has made a provision of Rs. 1.33 million for certain disputed liabilities relating to service tax.

(b) **EPF**: During the year ended March 31, 2015, the Company received a demand order from Regional Commissioner of Provident Fund, on account of non- inclusion of various allowances for the calculation of PF contribution for the period April 2012 to May 2014. The company has obtained a stay order from the Honourable High Court of Madras. The Company has also appealed against the order with PF Appellate Tribunal. Since various high courts have rendered different judgments which are in conflict to each other and the matter is now pending with the Honourable Supreme Court, as a matter of prudence the Company has provided for the demand of Rs. 16.29 million and other related liabilities of Rs 1.76 million.

5) Amounts due to Directors/ Promoters/ Promoter Group Companies/ Group Companies/ Relatives of Promoters/ Relatives of directors/ Subsidiary companies/ Enterprises holding Significant Influence:

| **Particulars** | **As at** | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| BharatMatrimony LLC, Dubai | - | 7.49 | 7.35 | 17.65 | 5.12 |
| Consim Info USA Inc. | - | 24.83 | 31.27 | 18.44 | 10.13 |
| Community Matrimony Private Limited | - | 2.05 | 4.85 | 3.76 | 5.23 |
| Sys India Private Limited | - | - | - | 4.75 | 12.75 |
| MatrimonyGifts Wholesale India Private Limited | - | - | - | - | 0.30 |
| Mr. Murugavel Janakiraman | - | - | - | 19.20 | - |
| | **-** | **34.37** | **43.47** | **63.80** | **33.53** |

6) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure X - Restated unconsolidated statement of non-current investments and current investments**

***(All amounts are in INR million other than the number of shares information)***

| Particulars | No. of shares | | | | | As at | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Non-Current investments** | | | | | | | | | | |
| **Trade Investments (valued at cost unless stated otherwise)** | | | | | | | | | | |
| Investment in subsidiaries - Unquoted equity instruments | - | | | | | | | | | |
| Community Matrimony Private Limited (equity shares of Re. 1/- each fully paid up) (refer note 7 below) | 99,999 | 99,999 | 99,999 | 99,999 | 99,999 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| Sys India Private Limited (equity shares of Re. 1/- each fully paid up) | 99,900 | 99,900 | 99,900 | 99,900 | 99,900 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| Consim Info USA Inc., USA (equity shares of USD 1 each fully paid up) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| Infonauts Inc., USA(equity shares of USD 1 each fully paid up) (refer note 4 below) | - | - | - | - | - | - | - | - | - | - |
| Consim Direct Holdings Cyprus Limited, Cyprus (equity shares of EURO 1 each fully paid up) | - | - | - | 1 | 1 | - | - | - | - | - |
| Matchify Services Private Ltd (equity shares of Rs. 10/- each fully paid up) (At cost less provision for other than temporary diminution Rs. 41.25 million (March 31, 2016: 38.45 million)) (refer note 7 below) | 4,124,500 | 3,844,500 | 185,000 | - | - | - | - | 1.85 | - | - |
| Tambulya Online Marketplace Private Ltd (equity shares of | 3,050,000 | 2,800,000 | 10,000 | - | - | - | - | 0.10 | - | - |

| Particulars | No. of shares | | | | | As at | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Rs. 10/- each fully paid up) (At cost less provision for other than temporary diminution Rs. 30.50 million (March 31, 2016: 28.00 million)) (refer note 7 below) | | | | | | | | | | |
| MatrimonyGifts Wholesale India Private Limited (equity shares of Re. 1/- each fully paid up) (refer note 5 below) | - | - | - | 28,944,999 | 11,749,999 | - | - | - | 28.94 | 11.75 |
| BharatMatrimony LLC., Dubai (equity shares of AED 1,000 each fully paid up) (refer note 6 below) | - | - | 147 | 147 | 147 | | | 0.20 | 0.20 | 0.20 |

| Particulars | No. of shares | | | | | As at | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Non Trade Investments (valued at cost unless stated otherwise)** | | | | | | | | | | |
| <u>Investment in subsidiary - Unquoted equity instruments</u> | | | | | | | | | | |
| Perspi Interactive Private Limited (equity shares of Re. 1/- each fully paid up), also refer note 3 below | - | - | - | - | - | | - | - | - | - |
| | | | | | | | | | | |
| <u>Investment - Unquoted equity instruments</u> | - | - | - | | | | | | | |
| Perspi Interactive Private Limited (equity shares of Re. 1/- each fully paid up), (refer note 3 below) | - | - | - | 300,000 | 300,000 | - | - | - | 0.30 | 0.30 |
| **Aggregate provision for diminution in value of investments** | - | - | - | - | - | (71.75) | (66.45) | - | - | - |
| | | | | | | | | | | |
| **Total Non-Current investments** | | | | | | **0.25** | **0.25** | **2.40** | **29.69** | **12.50** |
| | | | | | | | | | | |
| **B. Current investments** | | | | | | | | | | |
| **Trade Investments (valued at cost unless stated otherwise)** | | | | | | | | | | |
| BharatMatrimony LLC., Dubai (equity shares of AED 1,000 each fully paid up) (refer note 6 below) | - | 147 | - | - | - | - | 0.20 | - | - | - |
| | | | | | | | | | | |
| **Total Current investments** | | | | | | **-** | **0.20** | **-** | **-** | **-** |

## Note:

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) Pursuant to a share purchase and share holders' agreement dated March 21, 2012 entered with certain buyers, the Company disposed off 67,700 equity shares out of 367,700 equity shares in Perspi Interactive Private Limited (“Perspi”) to such buyers for a consideration of Rs. 1.07 million. On April 27, 2012, consequent to the additional investment made by the buyers in Perspi Interactive Private Limited, the stake of the Company has reduced from 81.59% in March 2012 to 24%. Accordingly, it ceased to be a wholly owned subsidiary and pursuant to the terms of the share purchase and share holders' agreement, the Company does not have significant influence over it. The Company disposed off the remaining 300,000 equity shares in Perspi vide share purchase agreement dated September 1, 2014.

4) During the year ended March 31, 2013, the Company transferred its holdings in Infonauts USA Inc to the Promoter (Mr.Murugavel Janakiraman) of the Company for a consideration of Rs. 0.14 million and this does not result in a profit or loss.

5) In December 2014, the Company entered into a sale agreement with certain buyers to sell the entire investment held in MatrimonyGifts Wholesale India Private Limited for a consideration of Rs.0.20 million. As per the sale agreement, the applications before the Registrar of Trade Marks for registration of label / word mark "Tambulya" shall rest with Matrimony.com Limited. The Board of directors has approved the decision vide resolution dated December 30, 2014.

6) On September 8, 2015, the shareholders of BharatMatrimony LLC, Dubai in their Extraordinary General Meeting decided to dissolve and liquidate BharatMatrimony LLC, Dubai. Accordingly the trade license cancellation with Government of Dubai has been applied and the same has been obtained on April 25, 2016. Hence the above investment has been classified as current as at March 31, 2016.

7) As at March 31, 2016, management has taken a decision to phase out the operations of its subsidiaries M/s Tambulya Online Marketplace Private Limited and M/s Matchify Services Private Limited to curtail the losses incurred by these businesses in the future. This decision was approved by the Company’s board of directors in their meeting dated July 21, 2016. In view of the above, the Company has provided for the diminution in value of such investments of Rs. 66.45 million as on March 31, 2016 and 71.75 million as on March 31, 2017. Further, management has also decided to discontinue the operations of another subsidiary Company M/s Community Matrimony Private Limited and the same was approved by the board of directors in the above mentioned meeting.

**Matrimony.com Limited**
**Annexure XI - Restated unconsolidated statement of long-term loans and advances and other non-current assets**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Long term loans and advances** | | | | | |
| Unsecured, considered good | | | | | |
| Loans and advances to related parties (see note given below) | - | - | - | - | - |
| Security deposits | 99.50 | 54.23 | 79.80 | 100.32 | 110.10 |
| Other loans and advances: | | | | | |
| Advance tax (net of provision for taxation) | 34.94 | 30.87 | 26.06 | 22.93 | 11.15 |
| MAT Credit Entitlement | 15.00 | - | - | - | - |
| Capital advances | 11.66 | 1.62 | - | - | - |
| Prepaid expenses | 3.08 | 0.37 | 0.12 | 0.05 | 0.22 |
| Balances with statutory / Government authorities | 7.35 | 7.35 | 7.35 | 7.35 | 7.35 |
| **Total Long-term loans and advances** | **171.53** | **94.44** | **113.33** | **130.65** | **128.82** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) There are no amounts due from Directors/ Promoters/ Promoter Group Companies/ Relatives of Promoters/ Relatives of directors/ Subsidiary companies.

4) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure XII - Restated unconsolidated statement of trade receivables (net of provision for doubtful receivables)**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Outstanding for a period exceeding six months from the date they are due for payment | | | | | |
| - considered good | - | - | - | - | - |
| - considered doubtful | 7.60 | 1.24 | 0.85 | 1.18 | 0.32 |
| | **7.60** | **1.24** | **0.85** | **1.18** | **0.32** |
| Less: Provision for doubtful receivables | 7.60 | 1.24 | 0.85 | 1.18 | 0.32 |
| | | - | - | - | - |
| Other trade receivables | | | | | |
| - considered good | | | | | |
| from related parties | 80.39 | 44.39 | 1.64 | 3.53 | 4.31 |
| from others | 15.61 | 13.67 | 9.69 | 12.72 | 10.63 |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| - considered doubtful | 0.60 | 5.73 | - | - | - |
| | **96.60** | **63.79** | **11.33** | **16.25** | **14.94** |
| Less: Provision for doubtful receivables | 0.60 | 5.73 | - | - | - |
| | **96.00** | **58.06** | **11.33** | **16.25** | **14.94** |
| **Total** | **96.00** | **58.06** | **11.33** | **16.25** | **14.94** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) Amounts due from directors / promoters / promoter group / relatives of promoters / relatives of directors / subsidiary companies:

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| BharatMatrimony LLC, Dubai | | - | 1.13 | 2.83 | 0.81 |
| Consim Info USA Inc. | 80.39 | 44.39 | 0.51 | 0.70 | 3.50 |
| Infonauts Inc. | - | - | - | - | - |
| | **80.39** | **44.39** | **1.64** | **3.53** | **4.31** |

4) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure XIII - Restated unconsolidated statement of cash and bank balances**

***(All amounts are in INR million unless otherwise stated)***

| **Particulars** | **As at** | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Cash and cash equivalents** | | | | | |
| Balances with banks on current accounts | 20.32 | 11.09 | 67.11 | 8.66 | 5.80 |
| Deposits with original maturity of less than three months (refer note 3 below) | 240.00 | 161.00 | 30.00 | - | - |
| Cheques on hand | 4.48 | 4.22 | 3.61 | 3.55 | 4.66 |
| Cash on hand | 4.00 | 5.64 | 5.66 | 4.91 | 0.25 |
| | **268.80** | **181.95** | **106.38** | **17.12** | **10.71** |
| **Other bank balances** | | | | | |
| Deposits with original maturity for more than 12 months (refer note 3 below) | 0.07 | 0.08 | 10.00 | - | 30.00 |
| Deposits with original maturity of more than 3 months but less than 12 months (refer note 3 below) | 281.21 | 355.69 | 408.51 | 350.62 | 267.08 |
| **Total cash and bank balances** | **550.08** | **537.72** | **524.89** | **367.74** | **307.79** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IVA and IVB.

3) These deposits are held as security against short-term borrowings.

**Matrimony.com Limited**
**Annexure XIV - Restated unconsolidated statement of short-term loans and advances and other current assets**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Short term loans and advances** | | | | | |
| Unsecured, considered good | | | | | |
| Loans and advances to related parties (refer note 4 given below) | 6.40 | 5.89 | 7.28 | 2.14 | 211.44 |
| Security deposit | 11.88 | 68.46 | 37.77 | 16.72 | 13.13 |
| Prepaid expense | 11.57 | 9.81 | 7.87 | 4.56 | 3.68 |
| Loans to employees | 2.79 | 3.37 | 4.74 | 1.84 | 1.29 |
| Balances with statutory / Government authorities | 1.62 | 11.06 | 6.33 | 5.18 | 5.77 |
| Advances for supply and services | 9.98 | 12.47 | 14.19 | 10.26 | 8.04 |
| **Total short-term loans and advances** | **44.24** | **111.06** | **78.18** | **40.70** | **243.35** |
| | | | | | |
| **B. Other current assets** | | | | | |
| Interest accrued on fixed deposit | 24.44 | 19.16 | 17.99 | 3.70 | 3.47 |
| Share issue expenses (to the extent not written off or adjusted) refer note 3 below | 87.29 | 103.57 | 16.28 | - | - |
| Unbilled revenues | - | - | - | 0.04 | - |
| Other receivable from related parties (to the extent not written off or adjusted ) refer note 4 below | 3.41 | 3.64 | 0.46 | - | - |
| **Total other current assets** | **115.14** | **126.37** | **34.73** | **3.74** | **3.47** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

3) The Company had filed Draft Red Herring Prospectus (DRHP) on August 18, 2015. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 has decided to proceed with the IPO activity and file the DRHP during first quarter of 2017-18. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 46.07 million is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item. The issue expenses on the consummation of the IPO will be shared between the Company and the selling shareholders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling shareholders in the offer for sale.

4) **Amounts due from Directors/ Promoters/ Promoter Group Companies/ Relatives of Promoters/ Relatives of directors:**

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Sys India Private Limited | 6.40 | 5.59 | 6.26 | - | - |
| Matchify Services Private Limited | - | 0.10 | - | - | - |
| Tambulya Online Market Place Private Limited | - | 0.20 | - | - | - |
| MatrimonyGifts Wholesale India Private Limited | - | - | - | 1.69 | - |
| India Property Online Private Limited | 3.41 | 3.64 | 0.46 | 0.45 | 211.25 |
| Consim Info USA Inc. | - | - | 1.02 | - | - |
| Infonauts Inc. | - | - | - | - | 0.19 |

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| | **9.81** | **9.53** | **7.74** | **2.14** | **211.44** |

5) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure XV - Restated unconsolidated statement of other income**

***(All amounts are in INR million unless otherwise stated)***

| **Particulars** | **Year ended** | | | | | **Nature** | |
|---|---|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** | **Recurring/ non-recurring** | **Related/Not related to business activity** |
| Liabilities no longer required written back | - | 0.73 | 1.05 | 5.90 | 0.56 | Recurring | Related |
| Seat sharing income | 0.24 | 4.85 | 7.99 | 11.27 | 0.18 | Recurring | Not related |
| Agency commission income | 1.71 | 1.98 | 1.98 | 1.98 | 1.98 | Recurring | Related |
| Premium on redemption of preference shares | - | - | - | 0.84 | - | Non - recurring | Not related |
| Miscellaneous income | 0.21 | 0.13 | 1.90 | 0.90 | 0.57 | Recurring | Not related |
| **Total Other Income** | **2.16** | **7.69** | **12.92** | **20.89** | **3.29** | | |

**Note:**

1) The classification of other income as recurring / not-recurring, related / not-related to business activity is based on the current operations and business activity of the Company as determined by the Management.

2) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.

3) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA and IVB.

**Matrimony.com Limited**
**Annexure XVI - Restated unconsolidated statement of operating expenses**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **A. Employee benefit expenses** | | | | | |
| Salaries, wages and bonus | 1,040.74 | 1097.00 | 925.69 | 762.77 | 643.75 |
| Contribution to provident and other fund | 72.12 | 74.68 | 60.61 | 45.18 | 41.90 |
| Gratuity expense (refer Annexure IV A (5)) | 11.92 | 9.37 | 7.54 | 6.57 | 5.75 |
| Staff welfare expenses | 30.37 | 31.09 | 28.59 | 24.41 | 16.89 |
| Recruitment and training | 7.49 | 11.42 | 9.21 | 6.09 | 9.87 |
| **Total employee benefit expenses** | **1,162.64** | **1223.56** | **1,031.64** | **845.02** | **718.16** |
| | | | | | |
| **B. Advertisement and business promotion expenses** | | | | | |
| Advertisement | 473.28 | 480.22 | 525.18 | 500.71 | 505.21 |
| Business promotion expenses | 45.27 | 32.13 | 29.39 | 12.29 | 11.17 |
| **Total advertisement and business promotion expenses** | **518.55** | **512.35** | **554.57** | **513.00** | **516.38** |
| | | | | | |
| **C. Other expenses** | | | | | |
| Web hosting charges | 65.34 | 109.84 | 99.91 | 93.59 | 74.58 |
| Electricity | 48.16 | 52.33 | 47.39 | 43.39 | 41.09 |
| Rent and amenities | 174.16 | 180.68 | 176.02 | 173.42 | 161.38 |
| Rates and taxes | 3.66 | 3.14 | 4.77 | 9.22 | 10.83 |
| Insurance | 7.94 | 7.55 | 5.91 | 5.74 | 3.96 |
| Repairs and maintenance – others | 54.45 | 52.09 | 42.64 | 39.56 | 23.72 |
| Travelling and conveyance | 32.44 | 40.29 | 41.16 | 34.59 | 30.89 |
| Communication costs | 83.46 | 78.99 | 73.68 | 69.24 | 65.34 |
| Printing and stationery | 2.52 | 3.39 | 3.13 | 2.27 | 3.98 |
| Legal and professional fees | 40.29 | 37.53 | 31.26 | 36.01 | 30.44 |
| Directors' sitting fees | 3.00 | 4.40 | 1.20 | - | - |
| Exchange differences (net) | 7.48 | 11.15 | 8.21 | 8.97 | 4.20 |
| Provision for doubtful debts and advances | 5.29 | 6.17 | 0.26 | 1.05 | 0.38 |
| Provision for litigation (Refer annexure IX) | 1.76 | - | 16.29 | - | - |
| Loss on sale/ write off of Property, Plant and Equipment (net) | 1.51 | 3.58 | 1.23 | 8.09 | 5.20 |
| Collection charges | 48.69 | 46.88 | 37.18 | 36.84 | 25.53 |
| Photography service charges | 33.64 | 32.83 | 0.95 | - | - |
| Miscellaneous expenses | 4.50 | 4.07 | 4.16 | 3.54 | 6.10 |
| **Total other expenses** | **618.29** | **674.91** | **595.35** | **565.52** | **487.62** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) Employee benefit expenses paid to Directors/ Promoters/ Relatives of Promoters/ Relatives of directors:

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Mr. Murugavel Janakiraman | 13.94 | 11.68 | 8.40 | 8.64 | 9.00 |
| Mr. Ravi Janakiraman | 0.96 | 0.90 | 0.87 | 0.82 | 0.75 |
| | **14.90** | **12.58** | **9.27** | **9.46** | **9.75** |

4) The list of persons / entities classified as "Promoter and Promoter Group Companies" has been determined by the Management and relied upon by the Auditors.

**Matrimony.com Limited**
**Annexure XVII - Restated unconsolidated statement of exceptional items**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| Loss / (profit) from the disposal of subsidiaries / non-current investments, net (also refer note 3, 4 and 5 below) | (7.50) | - | 61.60 | - | - |
| Legal costs incurred on litigation (refer note 6 below) | - | 206.69 | 146.24 | 188.97 | 31.65 |
| Provision for diminution in the value of Investments (refer note 7 below) | 5.30 | 66.45 | - | - | - |
| IPO related expenses charged off (refer note 3 of Annexure XIV) | 46.07 | - | - | - | - |
| **Total exceptional items** | **43.87** | **273.14** | **207.84** | **188.97** | **31.65** |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of profits and losses of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) The Company entered into a share purchase and share holders' agreement dated March 21, 2012 to sell 67,700 shares held in Perspi Interactive Private Limited ("Perspi") for a consideration of Rs. 1.07 million and the profit on such disposal is Rs. 1.00 million. Further during the year ended March 31, 2015, the Company disposed off their balance investment held in Perspi for a consideration of Rs. 4.30 million and the profit on such disposal is Rs. 4.00 million. Since these items are non-routine in nature, the same has been classified under exceptional items.

4) In December 2014, the Company entered into a sale agreement with certain buyers to sell the entire investment held in MatrimonyGifts Wholesale India Private Limited for a consideration of Rs. 0.20 million. As per the sale agreement, the applications before the Registrar of Trade Marks for registration of label / word mark "Tambulya" shall rest with Matrimony.com Limited. The Board of directors has approved the decision vide resolution dated December 30, 2014. The loss recognised on the said transaction of Rs. 65.60 million has been classified as an "exceptional item" in the statement of profit and loss being non-routine and significant.

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

6) Legal costs incurred on litigation represents cost towards defending the Company, Promoter and Certain shareholders in a case pending with Superior Court of New Jersey, in each of the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013. In view of the amount involved being significant, the same has been disclosed as exceptional item in the financial statements. For more details refer note 10(C)(ii) in Annexure IV A.

7) As at March 31, 2016, management has taken a decision to phase out the operations of its subsidiaries M/s Tambulya Online Marketplace Private Limited and M/s Matchify Services Private Limited to curtail the losses incurred by these businesses in the future. This decision was approved by the Company's board of directors in their meeting dated July 21, 2016. In view of the above, the Company has provided for the diminution in value of such investments. Impairment loss of Rs. 5.30 million during the year ended March 31, 2017 has been disclosed as exceptional item as the transaction not expected to recur frequently.

**Matrimony.com Limited**
**Annexure XVIII - Capitalisation statement**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Pre IPO as at March 31, 2017 | As adjusted for IPO (refer note 3 below) |
|---|---|---|
| **Debt** | | |
| Short-term borrowings (A) | 443.76 | |
| Long-term borrowings (B) | 1.56 | |
| **Total borrowings (A+B)** | **445.32** | |
| | | |
| **Shareholder's funds** | | |
| Share capital | 106.21 | |
| Reserves and surplus | (118.03) | |
| **Total shareholders' funds (C )** | **(11.82)** | |
| | | |
| **Long-term borrowings / Total shareholder's funds (B/C)** | **(0.13)** | |

**Note:**

1) The above has been computed on the basis of the restated unconsolidated summary statements of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) The corresponding post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the book building process and hence the same have not been provided in the above statement.

4) Long term borrowings represents debt which is due after 12 months from March 31, 2017 and current maturities of long term borrowings.

**Matrimony.com Limited**
**Annexure XIX - Restated unconsolidated statement of accounting ratios**

***(All amounts are in INR million except share and per share data)***

| **Particulars** | | **Year ended** | | | | |
|---|---|---|---|---|---|---|
| | | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| Restated Profit / (Loss) after tax | A | 225.31 | (231.03) | (44.65) | (82.38) | 94.59 |
| Less: Preference dividend including tax thereon | B | - | - | - | - | - |
| Net profit / (Loss) available to equity shareholders | C=A-B | 225.31 | (231.03) | (44.65) | (82.38) | 94.59 |
| Weighted average number of equity shares considered for calculating basic EPS | D | 18,932,157 | 1,47,78,256 | 14,559,385 | 14,298,378 | 14,298,378 |
| Weighted average number of equity shares considered for calculating diluted EPS | E | 21,461,515 | 21,425,591 | 21,599,770 | 21,072,188 | 21,072,188 |
| Restated net worth | F | (11.82) | (245.13) | (14.10) | (11.43) | 70.95 |
| | | | | | | |
| **Basic earnings per share (Rs.)** | C/D | 11.90 | (15.63) | (3.07) | (5.76) | 6.62 |
| | | | | | | |
| **Diluted earnings per share (Rs.)** | C/E | 10.50 | (15.63) | (3.07) | (5.76) | 4.49 |
| **Return on net worth (%)** | C/F | 1,906.03% | (94.25) % | (316.49)% | (721.00)% | 133.30% |
| **Net asset value per share (Rs.)** | Note 3(d) | (0.56) | (11.58) | (0.67) | (0.54) | 3.38 |

**Notes:**

1) The above ratios have been computed on the basis of the restated unconsolidated summary statements of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows.

3) The Ratios have been computed as below:

a) Basic Earnings per share (Rs.)

$$\frac{\text{Net profit after taxes (as restated) / Net profit after taxes (as restated) attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Diluted Earnings per share (Rs.)

$$\frac{\text{Net profit after taxes (as restated) / Net profit after taxes (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$$

c) Return on net worth (%)

$$\frac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year including preference share capital}}$$

d) Net asset value per share (Rs.)

$$\frac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year + Potential equity shares from convertible preference shares}}$$

4) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5) Net worth for ratios mentioned in note 3(c) and 3(d) = Equity share capital + Reserves and surplus (including Securities Premium and surplus in statement of profit and loss) + Preference share capital. These ratios have been computed after considering the retrospective adjustment of the bonus shares and consolidation of share capital.

6) Earnings per share calculations are in accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together along with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. As per Accounting Standard 20, in case of bonus shares or consolidation of shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity share outstanding during all the previous years have been considered accordingly.

**Matrimony.com Limited**
**Annexure XX - Restated unconsolidated tax shelter statement**

*(All amounts are in INR million unless otherwise stated)*

| S.No. | Particulars | Year ended | | | | |
|---|---|---|---|---|---|---|
| | | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| A | Restated profit before tax | 225.31 | (231.03) | (44.65) | (82.38) | 94.59 |
| B1 | Tax rate | 34.61% | 33.06% | 32.45% | 32.45% | 32.45% |
| B2 | Tax rate (Long term capital gain / loss) | 23.07% | 22.04% | 21.63% | 21.63% | 21.63% |
| B3 | MAT rate | 21.34% | 20.39% | 20.01% | 20.01% | 20.01% |
| C | Tax thereon at the above rate (AxB) | 77.98 | (76.39) | (14.49) | (26.74) | 30.70 |
| D | **Permanent differences** | | | | | |
| | Donation | 0.61 | 0.86 | 0.56 | 0.22 | 0.20 |
| | (Profit) / loss on redemption of investment | - | - | 61.61 | - | - |
| | Long term capital gains / (loss) | 7.26 | - | 3.68 | - | (0.09) |
| | Short term capital gains / (loss) | - | - | (65.51) | - | - |
| | Investment written off | (7.50) | - | (0.30) | - | 0.05 |
| | Expenses disallowed under Income Tax Act | - | 0.82 | 7.52 | - | - |
| | **Total (D)** | **0.37** | **1.68** | **7.56** | **0.22** | **0.16** |
| E | **Timing differences** | | | | | |
| | Differences in book depreciation and depreciation under Income Tax Act, 1961 | 6.05 | (20.92) | (17.68) | (2.00) | 2.21 |
| | Expenses allowed on payment basis | 9.06 | 4.06 | 19.92 | (19.91) | 7.38 |
| | Provision for diminution in the value of investments | 5.30 | 66.45 | - | - | - |
| | Provision for doubtful debts and advances | 1.56 | 6.19 | (0.34) | 0.86 | (8.98) |
| | Provision for deposits | - | - | 0.73 | 0.06 | 0.10 |
| | Loss on sale of assets (depreciable assets) | 1.51 | 3.58 | 1.73 | 8.09 | 5.20 |
| | **Total (E)** | **23.48** | **59.36** | **4.36** | **(12.90)** | **5.91** |
| **F** | **Net Adjustments (D + E) before set off of losses** | **23.85** | **61.04** | **11.92** | **(12.68)** | **6.07** |
| | **Taxable income before set off of losses** | **249.16** | **(169.99)** | **(32.73)** | **(95.06)** | **100.66** |
| **G** | Business losses / unabsorbed depreciation losses set off as carried forward losses | (242.01) | - | (3.81) | - | (100.75) |
| **H** | **Net Adjustments after set off of losses (F+G)** | **(218.14)** | **61.04** | **8.11** | **(12.68)** | **(106.82)** |
| **I** | Tax savings thereon | (79.67) | 20.18 | 2.24 | (4.11) | (34.71) |
| | Tax at normal rates | (78.01) | 20.18 | 1.44 | (4.11) | (34.69) |
| | Tax at special rate | (1.68) | - | 0.80 | - | (0.02) |
| | **Total tax on current profits** | - | - | | | |
| | Current tax on continuing operations | - | - | - | - | - |
| | **Total** | - | - | - | - | - |

**Matrimony.com Limited**

**Annexure XXI - Restated unconsolidated statement of related party transactions**

**(i) List of related parties and transactions as per the requirements of Accounting Standard - 18, "Related Party Disclosures" notified by Central Government under section 133 of Companies Act, 2013**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Subsidiaries** | Community Matrimony Private Limited | Community Matrimony Private Limited | Community Matrimony Private Limited | Community Matrimony Private Limited | Community Matrimony Private Limited |
| | Sys India Private Limited | Sys India Private Limited | Sys India Private Limited | Sys India Private Limited | Sys India Private Limited |
| | Consim Info USA Inc., USA | Consim Info USA Inc., USA | Consim Info USA Inc., USA | Consim Info USA Inc., USA | Consim Info USA Inc., USA |
| | BharatMatrimony LLC., Dubai (till April 25, 2016) | BharatMatrimony LLC., Dubai | Bharat Matrimony LLC., Dubai | Bharat Matrimony LLC., Dubai | Bharat Matrimony LLC., Dubai |
| | - | - | Matrimony Gifts Wholesale India Private Limited (till December 29, 2014) | Matrimony Gifts Wholesale India Private Limited | Matrimony Gifts Wholesale India Private Limited |
| | - | - | - | - | Perspi Interactive Private Limited (till April 27, 2012) |
| | - | - | - | - | Infonauts Inc., USA (till March 31, 2013) |
| | | - | Consim Direct Holdings Cyprus Limited, Cyprus (till December 29, 2014) | Consim Direct Holdings Cyprus Limited, Cyprus | Consim Direct Holdings Cyprus Limited, Cyprus (from October 10, 2012) |
| | Matchify Services Private Limited | Matchify Services Private Limited | Matchify Services Private Limited (from November 12, 2014) | - | - |
| | Tambulya Market Place Private Limited | Tambulya Market Place Private Limited | Tambulya Market Place Private Limited (from January 22, 2015) | - | - |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| | | | - | - | Consim Direct Inc., Nevis (till December 6, 2012) |
| **Enterprises owned or significantly influenced by key management personnel or their relatives** | India Property Online Private Limited | India Property Online Private Limited | India Property Online Private Limited | India Property Online Private Limited | India Property Online Private Limited |
| | Infonauts Inc., USA | Infonauts Inc., USA | Infonauts Inc., USA | Infonauts Inc., USA | Infonauts Inc., USA (from March 31, 2013) |
| **Investor having significant influence** | - | Canaan VII Mauritius (refer note below) | Canaan VII Mauritius (refer note below) | Canaan VII Mauritius | Canaan VII Mauritius |
| | CMDB II | CMDB II (from April 16, 2015) | - | - | - |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| | Mayfield XII, Mauritius | Mayfield XII, Mauritius | Mayfield XII, Mauritius | Mayfield XII, Mauritius | Mayfield XII, Mauritius |
| **Enterprises in which Directors are interested** | - | - | MF Advisors LLP (till March 31, 2015) | MF Advisors LLP | MF Advisors LLP |
| | - | Canaan Advisors Private Limited (refer note below) | Canaan Advisors Private Limited (refer note below) | Canaan Advisors Private Limited | Canaan Advisors Private Limited |
| **Key Management Personnel (KMP)** | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman | Mr.Murugavel Janakiraman |
| | Mr. S Parameshwar, Chief Financial Officer (till August 12 2016) | Mr. S Parameshwar, Chief Financial Officer | Mr. S Parameshwar, Chief Financial Officer | - | - |
| | Mr.K Balasubramanian, Chief Financial Officer (from August 22, 2016) | - | - | - | - |
| | Mr. S Vijayanand , Company Secretary | Mr. S Vijayanand , Company Secretary | Mr. S Vijayanand , Company Secretary | - | - |
| **Relatives of KMP** | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman | Mr. Ravi. Janakiraman |
| | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman | Mrs. Indirani Janakiraman |

Note:

On March 24, 2015, Canaan VII Mauritius, one of the investors of the company, has transferred its entire holding in equity and preference capital (719,174 equity shares and 4,348,510 compulsorily convertible preference shares) to CMDB II. The board of directors of the company has approved the said transfer on April 16, 2015.

Consequent to the enactment of new Companies Act, 2013 from April 1, 2014, the transactions with Chief Financial Officer and Company Secretary have been included as part of related party transactions prospectively in compliance with Companies Act, 2013.

## (ii) Details of transactions with related parties

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Transactions during the year:** | | | | | |
| | | | | | |
| **Key Management personnel** | | | | | |
| **Remuneration** | | | | | |
| - Mr.Murugavel Janakiraman | 13.94 | 11.68 | 8.40 | 8.64 | 9.00 |
| - Mr. S Parameshwar | 7.54 | 8.00 | 5.50 | - | - |
| - Mr. K Balasubramanian | 5.26 | - | - | - | - |
| - Mr. S Vijayanand | 1.65 | 1.42 | 1.12 | - | - |
| | | | | | |
| **Share application money received** | - | - | - | 19.20 | - |
| | | | | | |
| **Share application money refunded** | - | - | 19.20 | - | - |
| | | | | | |
| **Interest paid on share application money** | - | - | 0.16 | - | - |
| | | | | | |
| **Preferential allotment of equity shares (including** | - | - | 12.23 | - | - |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **premium)** | | | | | |
| **Bonus issue of equity shares** | - | - | 25.68 | - | - |
| **Sale of Investment in Infonauts Inc., USA** | - | - | - | - | 0.14 |
| **<u>Relatives of Key Management Personnel</u>** | | | | | |
| **Remuneration** | | | | | |
| - Mr. Ravi Janakiraman | 0.96 | 0.90 | 0.87 | 0.82 | 0.75 |
| **Bonus issue of equity shares** | | | | | |
| - Mrs. Indirani Janakiraman | - | - | 0.18 | - | - |
| **<u>Investor having significant influence</u>** | | | | | |
| **Preferential allotment of equity shares (including premium)** | | | | | |
| - Canaan VII Mauritius | - | - | 5.23 | - | - |
| - Mayfield XII, Mauritius | - | - | 5.09 | - | - |
| **Bonus issue of equity shares** | | | | | |
| - Canaan VII Mauritius | - | - | 0.84 | - | - |
| - Mayfield XII, Mauritius | - | - | 1.67 | - | - |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Expenses made by Company on behalf of related parties** | | | | | |
| - India Property Online Private Limited | - | - | - | 1.13 | 133.84 |
| **Investment in Preference shares** | | | | | |
| - India Property Online Private Limited | - | - | - | 50.00 | - |
| **Investment in equity shares** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 0.10 |
| **Cancellation of investment in equity shares** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 0.10 |
| **Redemption of redeemable preference shares** | | | | | |
| - India Property Online Private Limited (including premium) | | - | - | 50.84 | - |
| **Loan given during the year** | | | | | |
| - India Property Online Private Limited | | - | - | - | 93.50 |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Repayment of loan from related parties** | | | | | |
| - India Property Online Private Limited | - | - | - | 93.50 | - |
| **Transfer of assets** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 24.29 |
| **Transfer of liabilities** | | | | | |
| - India Property Online Private Limited | - | - | - | - | 20.06 |
| **Seat sharing revenue** | | | | | |
| - India Property Online Private Limited | 0.24 | 4.85 | 7.99 | 10.82 | - |
| **Interest income during the year** | | | | | |
| - India Property Online Private Limited | - | - | - | 2.16 | 9.37 |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Reversal of interest receivable on loan** | | | | | |
| - India Property Online Private Limited | - | - | 0.10 | - | - |
| | | | | | |
| **Subsidiaries** | | | | | |
| | | | | | |
| **Advertisement** | | | | | |
| - Consim Info USA Inc., USA | - | 5.25 | 6.02 | 7.89 | 7.76 |
| - BharatMatrimony LLC., Dubai | - | 7.98 | 22.13 | 22.35 | 24.56 |
| - Sys India Private Limited | 1.71 | 1.64 | 1.61 | 1.57 | 1.85 |
| - Community Matrimony Private Limited | 0.05 | 0.41 | 0.44 | 0.36 | 0.37 |
| | | | | | |
| **Expenses made by related parties on behalf of company** | | | | | |
| - Consim Info USA Inc., USA | 30.38 | 194.11 | 144.45 | 211.09 | 97.12 |
| - BharatMatrimony LLC., Dubai | - | 5.46 | 17.60 | 25.52 | 15.22 |
| - Sys India Private Limited | 36.25 | 74.89 | 96.72 | 31.67 | 34.23 |
| - Community Matrimony Private Limited | - | 26.32 | 24.34 | 25.92 | 36.96 |
| | | | | | |
| **Profit from liquidation of subsidiary** | | | | | |
| - Bharat Matrimony LLC., Dubai | 7.50 | - | - | - | - |
| | | | | | |
| **Expenses made by company on behalf of related parties** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | | - | 1.97 | 1.69 | - |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Agency commission income** | | | | | |
| - Sys India Private Limited | 1.68 | 1.68 | 1.68 | 1.68 | 1.68 |
| - Community Matrimony Private Limited | 0.03 | 0.30 | 0.30 | 0.30 | 0.30 |
| | | | | | |
| **Business License Fee** | | | | | |
| - Consim Info USA Inc., USA | 143.32 | 41.00 | - | - | - |
| | | | | | |
| **Guarantee Fee Income** | | | | | |
| - Consim Info USA Inc., USA | 1.69 | 0.08 | - | - | - |
| | | | | | |
| **Investment during the year** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | - | - | - | 17.20 | 11.65 |
| - Matchify Services Private Limited | 2.80 | 36.60 | 1.85 | - | - |
| - Tambulya Online Market Place Private Limited | 2.50 | 27.90 | 0.10 | | |
| | | | | | |
| **Interest income on inter - company advances** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | - | - | 1.14 | - | - |
| | | | | | |
| **Seat sharing revenue** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | - | - | - | 0.46 | 0.18 |
| | | | | | |
| **Sale of assets during the year** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | - | - | - | 0.04 | 0.05 |
| | | | | | |
| **Purchase of Gifts** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | - | - | 1.42 | 0.20 | 0.53 |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Purchase of Fixed Assets** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | - | - | 1.53 | - | - |
| | | | | | |
| **(iii) Balance outstanding at year end:** | | | | | |
| **Enterprises owned or significantly influenced by Key Management Personnel or their relatives** | | | | | |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| | | | | | |
| **Loans and advances** | | | | | |
| - India Property Online Private Limited | - | - | - | 0.45 | 211.25 |
| | | | | | |
| **Other receivables** | | | | | |
| - India Property Online Private Limited | 3.41 | 3.64 | 0.46 | - | - |
| | | | | | |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Subsidiaries** | | | | | |
| | | | | | |
| **Short term Loans and advances** | | | | | |
| - Matrimony Gifts Wholesale India Private Limited | | - | - | 1.69 | - |
| - Sys India Private Limited | 6.40 | 5.59 | 6.26 | - | - |
| - Matchify Services Private Limited | - | 0.10 | | | |
| - Tambulya Online Market Place Private Limited | - | 0.20 | | | |
| - Infonauts Inc., USA | - | - | - | - | 0.19 |
| Consim Info USA Inc., USA | - | - | 1.02 | - | - |
| | | | | | |
| **Other long-term liabilities** | | | | | |
| - Consim Info USA Inc., USA | - | - | 23.45 | 52.29 | - |
| | | | | | |
| **Trade payables** | | | | | |
| - Sys India Private Limited | - | - | - | 4.75 | 12.75 |
| - Consim Info USA Inc., USA | - | 24.83 | 31.27 | 18.44 | 10.13 |
| - BharatMatrimony LLC., Dubai | - | 7.49 | 7.35 | 17.65 | 5.12 |
| - Community Matrimony Private Limited | - | 2.05 | 4.85 | 3.76 | 5.23 |
| - Matrimony Gifts Wholesale India Private Limited | - | - | - | - | 0.30 |
| | | | | | |
| **Trade receivables** | | | | | |
| - Consim Info USA Inc., USA | 80.39 | 44.39 | 0.51 | 0.70 | 3.50 |
| - BharatMatrimony LLC., Dubai | - | - | 1.13 | 2.83 | 0.81 |

**Note:**

1) The classification and the disclosures of information of related parties for each of the periods / years is in accordance with the Accounting Standard (AS) 18 - Related Party Disclosures, as specified by the Regulations.

2) The figures disclosed above are based on the restated unconsolidated summary statements of assets and liabilities and profits and losses of the Company.

3) The above statement should be read with the notes to restated unconsolidated summary statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV-A & IV-B.

4) 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.

**Matrimony.com Limited**
**Annexure XXII - Restated unconsolidated statement of segment information**

## a) Primary Segment Information based on business:

The Company's business segments have been divided into two - Matchmaking services and Marriage services and related sale of products.

**Primary segment information** (by Business segments)**:**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **A. Segment Revenue** | | | | | |
| **External sales** | | | | | |
| - Matchmaking Services | 2,554.77 | 2,424.50 | 2,319.91 | 1,988.55 | 1,873.22 |
| - Marriage services and related sale of products | 119.90 | 105.07 | 73.50 | 50.74 | 9.93 |
| **Total Revenue** | **2,674.67** | **2,529.57** | **2,393.41** | **2,039.29** | **1,883.15** |
| | | | | | |
| **Segment Expenses** | | | | | |
| **Employee benefits expense** | | | | | |
| - Matchmaking Services | 983.94 | 1,028.21 | 893.93 | 724.48 | 659.24 |
| - Marriage services and related sale of products | 127.21 | 122.94 | 91.82 | 77.91 | 31.55 |
| **Advertisement and business promotion expense** | | | | | |
| - Matchmaking Services | 480.73 | 488.26 | 523.16 | 489.99 | 510.74 |
| - Marriage services and related sale of products | 37.82 | 24.09 | 31.41 | 23.01 | 5.64 |
| **Other expenses** | | | | | |
| - Matchmaking Services | 499.41 | 557.20 | 512.18 | 509.49 | 442.77 |
| - Marriage services and related sale of products | 70.24 | 70.51 | 26.96 | 21.68 | 11.00 |
| **Depreciation and amortisation expense** | | | | | |
| - Matchmaking Services | 75.07 | 74.03 | 56.10 | 37.14 | 56.99 |
| - Marriage services and related sale of products | 5.15 | 4.00 | 2.24 | 0.94 | 0.61 |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **B. Segment Results** | | | | | |
| - Matchmaking Services | 515.62 | 276.80 | 334.55 | 227.45 | 203.48 |
| - Marriage services and related sale of products | (120.52) | (116.47) | (78.94) | (72.80) | (38.87) |
| **Total** | **395.10** | **160.33** | **255.61** | **154.65** | **164.61** |
| Unallocable expenses (net of unallocable revenue) | 121.20 | 131.02 | 110.31 | 71.95 | 64.35 |
| Finance cost | 44.15 | 29.52 | 15.39 | 7.89 | 13.68 |
| Finance income | (39.43) | (42.32) | (33.28) | (31.78) | (39.66) |
| **Profit before exceptional items and tax** | **269.18** | **42.11** | **163.19** | **106.59** | **126.24** |
| Exceptional items | 43.87 | 273.14 | 207.84 | 188.97 | 31.65 |
| **Profit / (loss) before tax** | **225.31** | **(231.03)** | **(44.65)** | **(82.38)** | **94.59** |
| Income taxes | - | - | - | - | - |
| **Profit / (loss) after tax** | **225.31** | **(231.03)** | **(44.65)** | **(82.38)** | **94.59** |
| Loss after tax from | - | - | - | - | - |
| **Profit / (loss) for the year** | **225.31** | **(231.03)** | **(44.65)** | **(82.38)** | **94.59** |
| | | | | | |
| **C. Segment Assets** | | | | | |
| - Matchmaking Services | 371.41 | 404.75 | 317.97 | 307.89 | 272.23 |
| - Marriage services and related sale of products | 32.28 | 24.76 | 14.51 | 10.39 | 8.67 |
| | | | | | |
| Unallocable assets | 765.60 | 750.83 | 642.54 | 445.54 | 580.75 |
| Other assets held for investing activities | 0.25 | 0.25 | 2.39 | 29.69 | 12.49 |
| Income taxes | 49.94 | 30.86 | 26.06 | 22.92 | 11.14 |
| **Total Assets** | **1,219.48** | **1,211.45** | **1003.47** | **816.43** | **885.28** |
| | | | | | |
| **D. Segment Liabilities** | | | | | |
| - Matchmaking Services | 639.02 | 682.19 | 530.55 | 435.42 | 444.48 |
| - Marriage services and related sale of products | 56.03 | 54.51 | 46.20 | 37.10 | 20.36 |
| - Unallocable | 536.25 | 719.88 | 440.82 | 355.34 | 349.49 |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Total Liabilities** | **1,231.30** | **1,456.58** | **1,017.57** | **827.86** | **814.33** |
| | | | | | |
| **E. Capital Expenditure** | | | | | |
| - Matchmaking Services | 33.29 | 103.56 | 97.76 | 34.22 | 74.07 |
| - Marriage services and related sale of products | 2.70 | 9.43 | 9.57 | 1.87 | 2.19 |
| - Unallocable | 28.79 | 35.56 | 26.68 | 40.30 | 18.97 |
| **Total Capital Expenditure** | **64.78** | **148.55** | **134.01** | **76.39** | **95.23** |

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **F. Depreciation / Amortisation** | | | | | |
| - Matchmaking Services | 75.07 | 74.03 | 56.10 | 37.14 | 56.99 |
| - Marriage services and related sale of products | 5.15 | 4.00 | 2.24 | 0.94 | 0.61 |
| - Unallocable | 23.23 | 19.10 | 21.13 | 15.86 | 6.42 |
| **Total Depreciation / Amortisation** | **103.45** | **97.13** | **79.47** | **53.94** | **64.02** |
| | | | | | |
| **G. Non-cash items other than Depreciation / Amortisation** | | | | | |
| - Matchmaking Services | 5.33 | 2.86 | 15.86 | (0.28) | 5.27 |
| - Marriage services and related sale of products | 4.75 | 34.12 | - | 0.04 | - |
| - Unallocable | (0.95) | 37.82 | 61.61 | - | - |
| **Total Non-cash items other than Depreciation / Amortisation** | **9.13** | **74.80** | **77.47** | **(0.24)** | **5.27** |
| | | | | | |
| **H. Capital employed** | | | | | |
| - Unallocable | (11.82) | (245.13) | (14.11) | (11.43) | 70.95 |
| **Total capital employed** | **(11.82)** | **(245.13)** | **(14.11)** | **(11.43)** | **70.95** |

**Secondary segment information** (by Geographical segments)**:**

***(All amounts are in INR million unless otherwise stated)***

| Particulars | Year ended | | | | |
|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 |
| **Segment Revenue** | | | | | |
| - Within India | 2,477.12 | 2,258.47 | 2,025.30 | 1,684.47 | 1,518.48 |
| - Outside India | 197.55 | 271.10 | 368.11 | 354.82 | 364.67 |
| | | | | | |
| **Capital Expenditure** | | | | | |
| - Within India | 64.78 | 148.55 | 134.01 | 76.39 | 95.23 |
| - Outside India | - | - | - | - | - |
| | | | | | |
| **Segment Assets** | | | | | |
| - Within India | 323.30 | 385.12 | 330.84 | 314.75 | 276.59 |
| - Outside India | 80.39 | 44.39 | 1.64 | 3.53 | 4.31 |

**Note:**

1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.

2) The above statement should be read with the notes to restated unconsolidated summary statements of assets, liabilities, profit and loss and cash flows as appearing in Annexure IV-A & IV-B.

3) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Those which are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

**Matrimony.com Limited**
**Annexure XXIII - Restated unconsolidated statement of dividend**

*(All amounts are in INR million unless otherwise stated)*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | **31-Mar-17** | **31-Mar-16** | **31-Mar-15** | **31-Mar-14** | **31-Mar-13** |
| **Equity shares:** | | | | | |
| Number of equity shares (numbers) | 21,241,591 | 14,778,256 | 24,630,426 | 13,463,632 | 13,463,632 |
| Face value per share (Rs.) | 5 | 5 | 3 | 3 | 3 |
| | | | | | |
| Rate of dividend (%) | - | - | - | - | - |
| Dividend amount (in million) | - | - | - | - | - |
| Tax on dividend (in million) | - | - | - | - | - |
| | | | | | |
| **Preference shares:** | | | | | |
| Number of preference shares (numbers) | - | 36,07,724 | 6,012,874 | 6,330,818 | 6,330,818 |
| Face value per share (Rs.) | - | 5 | 3 | 3 | 3 |
| | | | | | |
| Rate of dividend (%) | - | - | - | - | - |
| Dividend amount (in million) | - | - | - | - | - |
| Tax on dividend (in million) | - | - | - | - | - |

## SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

*The unconsolidated and consolidated financial statements and other financial information of our Company have been prepared in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 (existing Indian GAAP) which differs in certain material respects from the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ((Indian Accounting Standards) Amendment Rules, 2016 (collectively referred to as Ind AS).*

The areas in which differences between existing GAAP applicable to the Company vis-a-vis Ind AS could be significant to the financial position are summarised below. Ind AS is an exhaustive set of standards, rules and interpretations, and no assurance can be given that the differences listed below cover all possible differences. Further, no attempt has been made to identify differences between existing Indian GAAP and Ind AS as a result of prescribed changes in accounting standards that will be effective in future periods. Regulatory bodies that promulgate the standards have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between the existing Indian GAAP and the Ind AS that may affect the financial information as a result of transactions or events that may occur in the future.

Certain principal differences between Indian GAAP and Ind AS that may have a significant effect on our financial statements are summarized below. The summary below does not represent an exhaustive list of all GAAP differences. No financial statements prepared under Ind AS or numerical reconciliation of the financial condition and results of operations under Indian GAAP and under Ind AS have been included in the Draft Red Herring Prospectus. Our management has also not quantified any of the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that our financial statements would not be significantly different if prepared in accordance with Ind AS.

Potential investors should consult their own advisers for an understanding of the principal differences between the existing Indian GAAP and the Ind AS, and how these differences might affect the financial statements appearing in this DRHP.

| Sr. No. | Ind AS No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind AS |
|---|---|---|---|---|
| 1. | Ind AS 1 | Presentation of Financial Statements | **Statement of Change in Equity**: Under Indian GAAP, a statement of changes in equity is not required.<br>Movements in share capital, retained earnings and other reserves are presented in the Schedules to Financial Statements. | **Statement of Change in Equity:** Ind AS-1 requires the presentation of a statement of changes in equity showing:<br>a) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders.<br>b) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately.<br>c) Effects of retrospective application or restatement on each component of equity.<br>d) For each component of equity, reconciliation between the opening and closing balances separately disclosing each change. |
| | | | **Other Comprehensive Income**: There is no concept of "other comprehensive income" under Indian GAAP, which is required under Ind AS. The items that would form part of Other Comprehensive Income under Ind AS are included in the income statement under Indian GAAP. | **Other Comprehensive Income**: Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expenses (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind ASs. |
| | | | **Other disclosures:** There are no specific disclosure requirements under | **Other disclosures:** Ind AS-1 requires disclosure of: |

| Sr. No. | Ind AS No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind AS |
|---|---|---|---|---|
| | | | Indian GAAP for :<br>(a) Critical judgments made by the management in applying accounting policies;<br>(b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period; and<br>(c) Information that enable users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. | (a) Critical judgments made by the management in applying accounting policies;<br>(b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period; and<br>(c) Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital. |
| | | | **Extraordinary items:** Under Indian GAAP Extraordinary items are to be disclosed separately in the statement of profit and loss and are included in determination of net profit or loss.<br>Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity. | **Extraordinary items:** Ind AS prohibits the presentation of any items of income or expense as extraordinary, either on the face of the income statement or in the notes to accounts. |
| | | | **Change in Accounting Policies:** Under Indian GAAP, a change an accounting policy does not require a restatement of the comparative amounts for previous periods. In certain cases, an adjustment is made to the opening reserves of the current period to reflect the cumulative effect of applying the new policies. | **Change in Accounting Policies:** Under Ind AS, it is generally required to retrospectively apply changes to accounting policies, by adjusting the opening balance of equity/retained earnings for the earliest period presented, and restating comparative amounts (including the comparative profit and loss account) for each period presented. |
| | | | **Errors:** Under Indian GAAP**,** prior period errors are included in determination of profit or loss for the period in which the error is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived. | **Errors:** As per Ind AS 8 material prior period errors shall be corrected retrospectively in the first set of financial statements either by restating the comparative amounts for the prior period(s) presented in which the error occurred and if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity. |
| 2. | Ind AS 12 | Deferred Taxes | Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements. | As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e., based on the differences between carrying value of the assets/ liabilities and their respective tax base. |
| 3. | Ind AS 17 | Leases | **Operating Lease Rentals:** Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit. | **Operating Lease Rentals:** Under Ind AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless either of the below:<br><br>a) another systematic basis is more representative of the time pattern of the user's benefit, or |

| Sr. No. | Ind AS No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind AS |
|---|---|---|---|---|
| | | | | b) the payments to the lessor are structured to increase in line with expected general inflation for cost increases. |
| 4. | Ind AS 19 | Employee Benefits - Actuarial gains and losses: | Under Indian GAAP, actuarial valuation is used to determine the present value of benefits obligation and is carried out every year. The fair value of the benefit obligations is determined at every balance sheet date.<br><br>All actuarial gains or losses are recognized in the statement of profit and loss account. | Under Ind AS, the change in post-retirement defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements.<br><br>Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in Other Comprehensive Income. |
| 5. | Ind AS 21 | The Effects of Changes in Foreign Exchange Rates - Functional and presentation currency | Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency. | Functional currency is the currency of primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented. |
| | | Translation of foreign subsidiaries | Under Indian GAAP, the translation of financial statements of a foreign operation to the reporting currency of the parent/investor depends on the classification of that operation as integral or non-integral.<br><br>In the case of an integral foreign operation, monetary assets are translated at closing rate. Non-monetary items are translated at historical rate if they are valued at cost.<br><br>Non-monetary items which are carried at fair value or other similar valuation are reported using the exchange rates that existed when the values were determined.<br><br>Income and expense items are translated at actual/average rate. Exchange differences are taken to the statement of profit and loss.<br>For non-integral foreign operations, closing rate method should be followed (i.e., all assets and liabilities are to be translated at closing rate while profit and loss account items are translated at actual/average rates). The resulting exchange difference is taken to reserve and is reclassified to profit and loss on the disposal of the non-integral foreign operation. | Under Ind AS, assets and liabilities should be translated from the functional currency to the presentation currency at the closing rate at the date of the statement of financial position, income and expenses at actual/average rates for the period; exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity. These are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized.<br><br>Treatment of disposal depends on whether control is lost or not. Thus, if control is lost, the exchange difference attributable to the parent is reclassified to profit or loss from foreign currency translation reserve in other comprehensive income. |
| 6. | Ind AS 102 | Employee stock option plans | Under Indian GAAP, Employee Stock Option Plans (ESOP) can be accounted for either on intrinsic value basis or on fair value basis. | Under Ind AS, share based payments shall be accounted for only on fair value basis either by determining the fair value of the services received or the fair value of equity instrument |

| Sr. No. | Ind AS No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind AS |
|---|---|---|---|---|
| | | | In the case of graded vesting options, all the tranches are accounted for as one single option. | granted.<br><br>Each tranche in a graded vesting option shall be treated as a separate option and accounted for separately. |
| 7. | Ind AS 108 | Segment Disclosures - Determination of segments: | Currently under Indian GAAP, segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined.<br><br>Disclosures are required based on classification of segment as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting segments. | Ind AS 108 requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters (the 'management approach'). Such components (operating segments) are identified on the basis of internal reports that the entity's Chief Operating Decision Maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance.<br><br>Requires disclosure of (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries.<br>Information on major customers including total revenues from each major customer is disclosed if revenue from each customer is 10% or more of total segment revenues. |
| 8. | Ind AS 109 | Classification of Financial Instruments and subsequent Measurement | Currently under Indian GAAP, the Company classifies its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value.<br><br>Financial liabilities are carried at their transaction values.<br><br>All financial assets and liabilities are measured at transaction value on initial recognition. | Ind AS 109 requires all financial assets to be either classified as measured at amortized cost or measured at fair value, depending on fulfilment of certain criteria and the characteristics of the underlying investments. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, fair value through profit and loss (FVTPL), or recognized in other comprehensive income under Fair value through other comprehensive income (FVTOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables, cash and bank balances etc.<br><br>There are two measurement categories for financial liabilities – FVTPL and amortized cost.<br><br>All financial assets and liabilities are measured at fair value on initial recognition. |
| | | | Investments in subsidiaries, associates and joint ventures are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. | Ind AS 109 does not cover investments in subsidiaries, associates and joint ventures. Ind AS does allow a choice between carrying such investments at cost or fair value. |
| | | | Compulsory convertible preference shares with (a) buy back option with the holder and (b) option with the holder to convert before compulsory conversion kicks-in, are classified as equity instruments. | Compulsory convertible preference shares with (a) buy back option with the holder and (b) option with the holder to convert before compulsory conversion kicks-in cannot be classified as equity instruments and are instead classified as compound financial instruments. |

| Sr. No. | Ind AS No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind AS |
|---|---|---|---|---|
| | | | | |
| | | | Currently under Indian GAAP, there is no concept of embedded derivatives. | Under Ind AS, embedded derivatives that require separation are generally carried at fair value through profit and loss. |
| | | | **Provision for doubtful debts:** Under Indian GAAP, provisions are made for specific receivables based on circumstances such as credit default of customer or disputes with customers.<br>An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flows of the debtors.<br>Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability. | **Provision for doubtful debts:** Under Ind AS, provision is created based on expected loss model (instead of incurred loss model under Indian GAAP). |
| | | Financial Guarantee Contracts | Under Indian GAAP, financial guarantee issued by the Company are only disclosed as contingent liability unless obligor fails to make the payment and the liability materializes. | Under Ind AS, financial guarantees are recognized at fair value on the date of issue and are subsequently measured at the higher of:<br>(a) The loss determined in accordance with Ind AS 109; and<br>(b) The amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with Ind AS 18. |
| 9. | Ind AS 38 | Share issue expenses | In practice, share issue expenses incurred in anticipation of share issue is deferred provided the issue is probable to occur. If otherwise, it is immediately expensed off. Upon the issue of shares, the share issue expenses are charged to share premium reserve u/s 52 of Companies Act, 2013 | Share issue expenses are charged directly to equity when the shares are issued. If share issue not likely to occur, share issue expenses are immediately charged to P&L. |

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

*You should read the following discussion and analysis of our financial condition and results of operations together with the sections entitled "Summary Financial Information" and "Financial Statements" on pages 61 and 202, respectively. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including but not limited to those described in the section entitled "Risk Factors" on page 17. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 16.*

*Unless the context requires otherwise, the financial information used in this section is derived from our Restated Consolidated Summary Statements as of and for the fiscal years ended March 31, 2013, 2014, 2015, 2016 and 2017 and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI Regulations. Data included in this section in relation to key business metrics has been reviewed and verified by R.G.N. Price & Co., a firm of Chartered Accountants, and is included in their report dated May 2, 2017 (the "**Key Business Metrics Report**"). The information in this section is also derived from other sources including the Internet World Stats statistics available at http://www.internetworldstats.com; traffic share distribution from April 2014 to March 2017 for Matrimony.com, Jeevansathi and Shaadi.com matrimonials compiled by comScore, Inc. (the "**comScore Report**"); and the industry report dated May 4, 2017 entitled "Market Study of Online Matrimony & Marriage Services in India" (the "**KPMG Report**") prepared by KPMG, an independent management consultant, pursuant to an engagement with the Company. The KPMG Report contains disclaimers and scope limitations pertaining to the work performed by it, a summary of which is set out below. The KPMG Report should be referred to for the full text of the disclaimers and scope limitations.*

*The information contained in the KPMG Report is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on the information contained in the KPMG Report or any part thereof, without appropriate professional advice and due consideration. The KPMG Report reflects the position only as of the date of the KPMG Report, pursuant to an engagement letter between the Company and KPMG dated April 26, 2017, and KPMG does not undertake to update the information already contained in the KPMG Report. KPMG has subsequently consented to inclusion of extracts of the KPMG Report prepared by it in this Draft Red Herring Prospectus through its letter dated May 4, 2017. The KPMG Report does not attest the capabilities of our Company. The KPMG Report sets forth KPMG's views based on completeness and accuracy of the facts stated to it by the Company, and KPMG assumes no responsibility for the same. While performing the work, KPMG has assumed the genuineness of all signatures and the authenticity of all original documents in respect of the information received by it. It has not independently verified the correctness or authenticity of the same. KPMG has not performed an audit and does not express an opinion, or any other form of assurance. Further, comments in the KPMG Report are not intended, nor should they be interpreted to be legal advice or opinion. While information obtained from the public domain or external sources ("**Information**") has not been verified for authenticity, accuracy or completeness, KPMG has obtained Information, as far as possible, from sources generally considered to be reliable, inter alia, from the Internet and Mobile Association of India ("**IAMAI**"). KPMG does not guarantee the accuracy, adequacy or completeness of Information and is not responsible for any errors or omissions in the Information or for the results obtained from the use of such Information. The KPMG Report may make reference to "KPMG Analysis"; this indicates only that it has (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented; KPMG does not accept responsibility for the veracity of underlying Information. KPMG's views are not binding on any person, entity, authority or court; hence, no assurance is given that a position contrary to the opinions expressed in the KPMG Report will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law. In accordance with its policy, KPMG disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers/users/transmitters/distributors in the Offer who uses or relies upon the KPMG Report or extracts therefrom. The KPMG Report cannot and do not make a recommendation to anyone for investment in the Company.*

*Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.*

### Overview

Our business currently comprises two segments – (i) matchmaking services and (ii) marriage services and related sale of products. In fiscal 2017, matchmaking services and marriage services accounted for all of our revenue and there was no revenue from the related sale of products.

According to the comScore Report, we are the leading provider of online matchmaking services in India in terms of the average number of website pages viewed by unique visitors in March 2017 (Matrimony.com data does not include data from all sites under Matrimony.com). We deliver matchmaking services to our users in India and the Indian diaspora through our websites, mobile sites and mobile apps complemented by our on-the-ground network in India. Our brand, BharatMatrimony.com, has been ranked as India's most trusted online matrimony brand by The Brand Trust Report India Study 2014 (a study covering 20,000 brands across 16 cities) and we believe that our other matchmaking brands such as CommunityMatrimony.com and EliteMatrimony.com are well-established in India.

According to the KPMG Report, there were approximately 107 million unmarried individuals in India within the marriageable age bracket in 2016, being 18 to 35 years for females and 21 to 35 years for males. It is estimated that approximately 60.5 million marriages will take place in India from 2017 to 2021. In addition, it is estimated that as of July 1, 2016, there were approximately 462 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile) and connection) in India, with an Internet penetration of 34.80%, compared to approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com/). According to the KPMG Report, the number of Internet users in India is expected to reach over 730 million users by fiscal 2020, which would increase the penetration level to approximately 54.00% of the Indian population. Our leading position in the online matchmaking market in terms of the average number of website pages viewed by unique visitors in March 2017 (Matrimony.com data does not include data from all sites under Matrimony.com) in India allows us to take advantage of this opportunity.

According to the United Nations Children's Fund, Human Rights Council, ABC News, as of 2016, approximately 88.40% of marriages in India are arranged (source: "Arranged/Forced Marriage Statistics – Statistic Brain" Statistic Brain Research Institute, publishing as Statistic Brain. August 16, 2016 http://www.statisticbrain.com/arranged-marriage-statistics/). Such arranged marriages are largely facilitated by families, friends, community elders, priests or matchmaking agencies. However, increasing mobility of individuals in Indian society, increasing freedom of choice over key life decisions and the reach, choice, privacy, speed of communication and interaction provided by the online medium provide an opportunity for online matchmaking service providers like our Company. The younger generation in India is increasingly seeking to play a larger role in the decision-making process for their marriages. Online matchmaking service providers aim to bridge this gap and provide an online platform for arranged marriages whereby prospective brides and grooms and their families can both participate in the process of finding marriage partners.

As one of the first companies to provide online matchmaking services in India, we believe that we have an early mover advantage among consumers seeking online matchmaking services. As of March 31, 2017, we had a large database of profiles comprising 3.03 million active profiles (being profiles that have been published or logged in at least once during the prior 180-day period), which we believe creates a network effect that attracts more users to register or subscribe through our websites, mobile sites and mobile apps and also results in higher customer engagement, which in turn drives monetization of our user base and enables us to maintain a leading position in the online matchmaking market in India. According to the Key Business Metrics Report, in fiscal 2015, fiscal 2016 and fiscal 2017, we had 647,000, 678,000 and 702,000 paid subscriptions, respectively. We also believe that we have a high degree of brand recall and trust in India, as evidenced by the average number of our website pages viewed by unique visitors in March 2017 in the comScore Report (Matrimony.com data does not include data from all sites under Matrimony.com), and an efficient business model with low credit risk which has allowed us to fund the growth of our business primarily through internal accruals since fiscal 2009. To focus on and grow our matrimony matchmaking business to cater to the Indian diaspora for which subscription revenues were received in foreign currency (the "NRI Business"), the Company has granted a non-exclusive, non-sub-licensable and non-assignable business license, of certain brand names and domain names owned by the Company to its wholly-owned subsidiary, Consim USA, to operate the NRI Business in all territories outside India with effect from December 15, 2015 until December 14, 2019.

We differentiate ourselves from other players in India by following a micro-market strategy whereby we offer a range of targeted and customized products and services that are tailored to meet the requirements of customers based on their linguistic, religious, caste and community preferences as well as personalized matchmaking services through EliteMatrimony and our Assisted Service package. We leverage technology and analytics across all stages of the matchmaking process to drive acquisition of profiles, assist members in completing their profiles, validate profiles based on rules designed to remove inappropriate content in near real-time, identify appropriate channels of service for members and assist members in choosing the right packages, thereby helping in value creation and monetization. We believe that such technology and analytics are secure, scalable and analyze large volumes of data.

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

According to the KPMG Report, the marriage services industry in India is estimated to be worth approximately ` 3,681 billion in fiscal 2016, with catering, decoration, venue, gifts and photography accounting for approximately 61.00% of marriage services spends in fiscal 2016. However, the majority of the categories of marriage services in India are unorganized and highly fragmented, presenting a potential opportunity for an organized aggregator to provide these services. In this regard, we are expanding into the growing marriage services market to complement and leverage off our online matchmaking services. For example, we have launched marriage services such as MatrimonyDirectory.com, a listing website for marriage-related directory services including listings for wedding venues, wedding planners, wedding cards and caterers, MatrimonyPhotography.com in Tamil Nadu, Kerala, Andhra Pradesh and Telangana to provide wedding photography and videography services and MatrimonyBazaar.com in Chennai, Coimbatore, Madurai and Trichy to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers’ wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy. According to the KPMG Report, it is expected that Indian weddings will become more elaborate and extravagant due to factors such as rising disposable incomes, the gradual shift towards convenience and the aspiration for personalized weddings, leading to an increase in wedding spend from customers. We believe that our diversification beyond online matchmaking to marriage services, through the launch of marriage services initiatives, provides an opportunity for us to tap into this emerging segment. We believe that the provision of ancillary marriage services is an extension of our online matchmaking business and we will benefit from having a common customer base that has been acquired over the years through our online matchmaking business.

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

In fiscal 2015, fiscal 2016 and fiscal 2017, we generated consolidated total revenue of ₹ 2,428.41 million, ₹ 2,554.29 million and ₹ 2,929.30 million respectively, of which ₹ 2,319.91 million, ₹ 2,440.31 million, and ₹ 2,807.63 million, respectively, was attributable to our matchmaking services segment. Our restated consolidated profit before exceptional items, interest, tax, depreciation and amortization (EBITDA) was ₹ 178.08 million, ₹ 72.31 million and ₹ 592.04 million in fiscal 2015, fiscal 2016 and fiscal 2017, respectively. Our restated consolidated loss before minority interest was ₹ 29.04 million and ₹ 750.55 million in fiscal 2015 and fiscal 2016, respectively, which were largely attributable to certain exceptional item losses in these periods. Our restated consolidated profit before minority interest was ₹ 437.83 million for fiscal 2017.

**Factors Affecting our Results of Operations**

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

***Our User Base and Network Effect***

Our user base consists of persons who register with our matchmaking websites, mobile sites and mobile apps. Registration of members and the listing of member profiles on our matchmaking websites, mobile sites and mobile apps are free and while we offer certain services to both free and paid members, the ability to access contact information of prospective matches and certain other features offered on our websites, mobile sites and mobile apps is reserved for paid members only. Membership subscription fee is pre-paid and packages are available for a term of three months to one year. According to the Key Business Metrics Report, as of March 31, 2017, we had a database comprising 3.03 million active profiles, being profiles that have been published or logged in at least once during the prior 180-day period and 26.75 million free profiles had been added to our database since January 2006. Our revenue, which predominantly consists of membership subscription fees, is dependent on our ability to monetize our user base by encouraging existing users to convert from free membership to paid subscriptions and also by increasing our average transactional value ("**ATV**"), being the total revenue earned (net of service tax) from our matchmaking services segment for the period divided by the total number of paid subscriptions for the period. This is, in turn, dependent on our ability to continue to maintain and/or grow our database as online matchmaking websites are only attractive to users if they have a large database of profiles of prospective brides and grooms. We believe that by providing quick and easy access to our large database of profiles, we provide a compelling user experience that will create a network effect which will in turn increase the number of users who register with our websites and/or convert from free membership to paid subscription. We believe this will create a self-perpetuating growth cycle that enables us maintain a leading position in the online matchmaking market in India. According to the Key Business Metrics Report, in fiscal 2015, fiscal 2016 and fiscal 2017, we had 647,000, 678,000 and 702,000 paid subscriptions, respectively, and our ATV was ₹ 3,655, ₹ 3,827 and ₹ 4,065 respectively. To focus on and grow our matrimony matchmaking business to cater to the Indian diaspora for which subscription revenues were received in foreign currency (the "NRI Business"), the Company has granted a non-exclusive, non-sub-licensable and non-assignable business license, of certain brand names and domain names owned by the Company to its wholly-owned subsidiary, Consim USA, to operate the NRI Business in all territories outside India with effect from December 15, 2015 until December 14, 2019. For further details, see "*History and Certain Corporate Matters—Other Agreements*" on page 170. We are also expanding into the growing marriage services market to complement and leverage our existing user base for online matchmaking services.

***lnnovation and Customization***

Constant innovation and customization of our products and services and our service delivery platforms are key to ensuring that we are able to maintain a steady growth in the number of users of our products and services, retain existing members and also convert free members into paid subscribers, which will in turn drive our revenue. We have adopted a micro-market strategy whereby we offer a broad range of customized and innovative products and services that are tailored to meet the requirements of customers based on their linguistic, religious, caste and community preferences. We provide personalized matchmaking services to subscribers of our Assisted Service package through relationship managers to busy professionals or users who require assistance with matchmaking. We provide specialized matchmaking services through experienced relationship managers for the rich and affluent through our EliteMatrimony services. We also leverage technology and analytics extensively by employing and utilizing business intelligence, data warehousing, data analytics with IBM Unica systems for campaign management and Matrimony.com's Intelligent Matchmaking Algorithm ("**MIMA**"), a real-time recommendation engine which we have developed in-house using mathematical rules and machine learning systems that recommends the most appropriate profiles to members, thereby enhancing user experience. In 2015, we received a certificate of excellence from the National Association of Software and Services Companies ("**NASSCOM**") for "innovative application of analytics for business solution". In addition, we continue to invest resources and incur expenses towards developing our mobile platforms and offerings in view of the increasing usage of mobile phones in India. To increase our footprint on the mobile platform, we have developed a range of mobile apps across mobile platforms including iOS, Android and Windows and intend to continue to expand our mobile offerings. We have recently introduced mobile apps for our BharatMatrimony regional sites and certain community sites which have led to an increase in profile registrations.

***Branding***

Brand recognition is critical to the success of our online business since our primary service delivery platforms are currently the Internet and mobile. It is critical that we establish and maintain strong visibility and awareness of our brands. We believe that we have a high degree of brand recall in India, which is crucial in distinguishing our products and services from those of our competitors. We believe that our brands help us to attract new users to our websites, mobile sites and mobile apps which in turn drive the growth of our registered user base and paid subscriptions. We intend to leverage our brands to offer new products and marriage services. We spend significant financial and other resources on advertising and publicizing our brands, through campaigns on TV, radio, print and the online medium. Our BharatMatrimony "Happy Marriage" television commercial was voted among the top 10 advertisements of 2013 by the brand equity editorial panel of The Economic Times, a leading business newspaper in India, and also won a special jury mention for gender sensitivity (2013-2014) at The National Laadli Media and Advertising Awards in 2015 for portraying women positively. Our success in brand-building efforts will affect our business and results of operations. In fiscal 2015, fiscal 2016 and fiscal 2017, our advertisement and business promotion expenses were ₹ 532.52 million, ₹ 538.60 million and ₹ 522.30 million, respectively. We expect our advertisement and business promotion expenses to continue to increase and constitute a large proportion of our total expenses in the future as we continue to build our brands.

***Internet and Mobile Internet Usage***

As a substantial portion of our business is conducted online through our websites, mobile sites and mobile apps, the growth of Internet and mobile Internet usage in India would have a substantial impact on our business and results of operations. It is estimated that as of July 1, 2016, there were approximately 462 million Internet users (being individuals, of any age, who can access the Internet at home, via any device type (PC or mobile) and connection) in India, with an Internet penetration of 34.80%, compared to approximately 88.50% in the United States and 52.20% in China (source: http://www.internetlivestats.com/). According to the KPMG Report, the number of Internet users in India is expected to reach over 730 million users by fiscal 2020, which would increase the penetration level to approximately 54.00% of the Indian population. In addition, according to the KPMG Report, it is estimated that mobile Internet penetration in India will grow at an average CAGR of 17.00% to reach 670 million users by fiscal 2020.

***Diversification into New Products and Services***

We are constantly evaluating the possibilities of expanding our business in the matrimony space through introduction of new products and services, such as our “Till-U-Marry” subscription package and our “twin pack” combination package which offers access to both our BharatMatrimony.com and CommunityMatrimony.com database. We also intend to continue to invest in building out our marriage services verticals, with a focus on adjacent areas with a high degree of synergy with our core online matchmaking business, to target our existing online matchmaking clients and also clients who require marriage services. For example, to complement our online matchmaking services and to take advantage of certain gaps in the marriage services market in India, we have launched marriage services such as MatrimonyDirectory.com for listing of marriage-related directory services, MatrimonyPhotography.com to provide wedding photography and videography services and MatrimonyBazaar.com in Chennai, Coimbatore, Madurai and Trichy to help customers in availing wedding-related services such as wedding apparel, venue, stage decorations, photography, make-up, catering and honeymoon packages from various vendors to meet customers’ wedding needs. We have also recently launched MatrimonyMandaps.com, a wedding venue discovery platform, to help customers find the right venue for their wedding in Chennai, Coimbatore, Madurai or Trichy.

At this time, the diversification of our business and the introduction of new products and services are in their early stages. Although we believe that there are synergies between our current online matchmaking business and our expansion plans, we do not have any experience or expertise in certain of these new products and services. These new products and services may pose significant challenges to our administrative, financial and operational resources. The early stages and evolving nature of some of these products and services also make it difficult for us to predict the competition and the consumer demand for such products and services. For example, in 2015, we had introduced Tambulya.com, an online marketplace, for gifts for weddings and other occasions on a bulk order basis but in July 2016, our Board decided to reduce the operations of our subsidiary which operates Tambulya.com in a phased manner without any further investment due to various operational challenges. As of the date of this Draft Red Herring Prospectus, the Tambulya.com website is not operational. Similarly, in 2015, we had also introduced a mobile-only relationship app, “Matchify”, which focused on the mobile dating space in India, but we faced challenges in attracting female users and monetizing the business. As a result, in July 2016, our management decided to reduce the operations of our subsidiary which operates “Matchify” in a phased manner without any further investment since our view is that such relationships are not currently favored by a vast majority of the Indian market at this point in time.

***Competition***

The matchmaking industry in India is highly competitive, and we expect that the competition in this industry will continue to increase. Our key online matchmaking competitors are Shaadi.com and Jeevansathi.com, and our offline competitors include the more traditional brick and mortar companies offering marriage bureau and matchmaking services as well as community associations. The contents of our database are provided by customers who are not bound by any exclusivity with us and are therefore not prohibited from providing the same content to our competitors, some of whom may provide online matchmaking services at a heavy discount or for free in an effort to attract more customers and build up a substantial database of profiles of prospective brides and grooms, which also impacts our ability to the increase the price of our products and services. Increased competition may reduce our operating margins as we expend more of our resources to develop new products and services and increase our marketing and promotional efforts to maintain our market position and to strengthen our brands. Our ability to adequately address these competitive pressures in the future will in part determine the success of our business.

***Business Models***

Our business currently comprises two segments – (i) matchmaking services and (ii) marriage services and related sale of products. In fiscal 2017, matchmaking services and marriage services accounted for all of our revenue and there was no revenue from the related sale of products. Our matchmaking service segment is based on a subscription revenue model and our marriage services and related sale of products segment is based on a diverse revenue model ranging from listing fees, transaction fees and commission income.

We believe that our business model is efficient and tailored for the Indian market. Members who subscribe for our paid online matchmaking packages are required to make payments in advance before they are able to access certain features and functionalities on our websites, mobile sites and mobile apps that are not available to free members, which we believe results in low credit risk in our matchmaking business. In fiscal 2017, subscription revenue accounted almost all of our revenue for matchmaking services and our matchmaking services segment accounted for 95.85% of our consolidated total revenue and we had 702,000 paid subscriptions.

***Funding and Capital Efficiency***

We received funding totaling ₹ 999.34 million with the last major round of funding in fiscal 2008. The major investors of our series A optionally convertible redeemable preference shares, series B compulsorily convertible preference shares and series C compulsorily convertible cumulative preference shares were Canaan VII Mauritius, Yahoo! Netherlands BV and Mayfield XII, Mauritius. Our current investors include Bessemer India Capital Holdings II Limited, Mayfield XII, Mauritius and CMDB II which bought the shares owned by Yahoo! Netherlands BV and Canaan VII Mauritius on their exit in fiscal 2012 and fiscal 2015, respectively. We have maintained a focus on capital efficiency and have funded the growth of our business through internal accruals since fiscal 2009.

***Employee Benefits Expense***

Employee benefits expense represents our largest expense. The specialized skills we require can be difficult and time-consuming to acquire, train and develop and, as a result, these skills are often in short supply. Our Company had 3,955 employees (based on the payroll register of the Standalone Company as of March 25, 2017, the 25$^{th}$ of each month being the revised cut-off date for our payroll processing) and our employee benefits expense was ₹ 1,059.28 million, ₹ 1,252.52 million and ₹ 1,165.85 million in fiscal 2015, fiscal 2016 and fiscal 2017, respectively, which was 43.62%, 49.04% and 39.80% of our total revenue in those periods, respectively. Our success in retaining and hiring employees to suit our business needs, implementation of productivity measures in relation to employees and managing the inflation in employees' wages affects our results of operations. Please see "*Our Business—Sales, Customer Service and Marketing*" and "*Our Business—Employees*" on pages 151 and 154, respectively, for further details. We expect our employee benefits expense to increase in the future as we hire additional employees and increase our expenditure on staff welfare and other benefits.

**Demerger of Property Listing and Advisory Services Business**

In fiscal 2013, we demerged our property listing and advisory services business (the "**Demerged Undertaking**") to India Property Online Private Limited ("**IPOPL**") through a scheme of arrangement which was approved by the High Court of Madras on February 15, 2013 and registered with the Registrar of Companies on March 1, 2013. The Demerged Undertaking, with a book value of net asset of ₹ 4.23 million as of March 31, 2012, was transferred to, and vested in, IPOPL, in the demerger with effect from April 1, 2012. The book value of net asset of the Demerged Undertaking was adjusted against our securities premium account in accordance with the provision of the scheme.

For further details, see the section entitled "*History and Certain Corporate Matters – Major Events and Milestones – Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets – Scheme of arrangement and demerger between our Company, India Property Online Private Limited and their respective shareholders and creditors*".

**Litigation Expenses and Settlement Cost**

We have incurred substantial legal costs amounting to ₹ 573.55 million between fiscal 2013 and fiscal 2016 towards legal or other fees and expenses, in connection with defending our Company, our Promoter, our subsidiaries and our investors against the claims of the plaintiffs in the litigation involving Mr. Rajan Desai and Infonauts, Inc. (the "**US Litigation**"). We have also incurred a settlement cost of ₹ 530.97 million in fiscal 2016 towards the settlement of the plaintiffs' claim against the defendants (the "**Settlement**").

The settlement amount of US$8,000,000 is to be paid in 22 instalments by our U.S. subsidiary, Consim USA, and is supported by an irrevocable corporate guarantee from the Company (the "**Corporate Guarantee**"). The first payment of US$1,000,000 was made on March 28, 2016. The remaining settlement payments are due on the last day of each month commencing after the first settlement payment, with each instalment being at least US$250,000 and the total amount paid in each quarter being at least US$1,000,000. Following the payment of the first instalment of the Settlement, the parties filed for and obtained the dismissal of the litigation in New Jersey and in India. As of April 20, 2017, Consim USA has paid the US Plaintiffs US$5,333,342 in accordance with the terms of the Settlement Agreement and the outstanding Settlement Amount was US$2,666,658. The last Settlement Payment is expected to be paid by December 2017.

The Defendants have also entered into an inter se agreement dated December 21, 2015 (as amended by an agreement dated April 28, 2017) whereby Consim USA would make the settlement payments, and our Company would furnish the Corporate Guarantee in respect of the settlement payments. Further, in settlement of any claims that our Company may have against our Promoter in relation to this litigation, our Promoter has agreed to make a voluntary contribution of US$2,000,000 (the "**Voluntary Contribution**") to our Company. The Voluntary Contribution will be made by the Promoter, upon the Company calling upon the Promoter to pay the Voluntary Contribution, on the expiry of 15 months of the date of Allotment through the Offer and in the event that Allotment through the Offer is not effected by September 30, 2017, by March 31, 2018.

For further details on the Settlement and the Settlement Agreement, see "*History and Certain Corporate Matters—Other Agreements*" on page 170. The legal costs and settlement cost incurred with regard to this litigation have been disclosed as an exceptional item in our financials as it is a material item that falls within the ordinary activities of our Company, but has to be disclosed separately by virtue of its size and incidence.

**Our Critical Accounting Policies**

We believe the following are the critical accounting policies and related judgments and estimates used in the preparation of our financial statements. For more information on each of these policies, see the restated consolidated financial statements and restated unconsolidated financial statements included in the Draft Red Herring Prospectus.

***Use of Estimates***

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

***Revenue Recognition***

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

*Income from services*

Revenue from subscriptions towards matrimony service contracts are recognized pro-rata over the period of the contract as and when services are rendered.

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.

We collect service tax on behalf of the Government and therefore, it is not an economic benefit flowing to us. Hence, it is excluded from revenue.

*Income from sale of goods*

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

*Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

***Segment Reporting***

*Identification of segments*

In accordance with the Accounting Standard 17 "*Segment reporting*" notified by Companies (Accounting Standard) Rules, 2016, we presented our segmental information adopting business segment as the primary reporting format and geographical segment as the secondary reporting format.

Up till fiscal 2014, we presented our entire business as a single segment.

In fiscal 2015, in view of certain new products launched by us and based on the internal structure and evaluation of risks and rewards of the various section of the business, we have identified three business segments, namely matchmaking services, marriage services and related sale of products and other services as the primary reportable segments.

Our segment disclosure for earlier years have also been prepared and disclosed in accordance with the revised segment policy in our Restated Consolidated Summary Statements.

Our operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services.

*Inter-segment transfers*

We generally account for inter-segment sales and transfers at cost plus appropriate margins.

*Allocation of common costs*

Common allocable costs are allocated to each segment on a reasonable basis.

*Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

*Segment accounting policies*

We prepare our segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of our Company as a whole.

***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. Any trade discounts and rebates are deducted in arriving at the purchase price. 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, we depreciate 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 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 fixed assets 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.

We identify and determine cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

***Depreciation on Property, Plant and Equipment***

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by management. Up till fiscal 2014, depreciation rates prescribed under Schedule XIV to the Companies Act, 1956 were treated as minimum rates and we were not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From fiscal 2015, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013, which prescribes useful lives for property, plant and equipment which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Based on internal evaluation of past usage and technical assessments, we have used rates arrived at based on the following estimated useful lives to provide depreciation on our fixed assets in each of the relevant year:

(in years)

| **Category of assets** | **March 31, 2017** | **March 31, 2016** | **March 31, 2015** | **March 31, 2014** | **March 31, 2013** |
|---|---|---|---|---|---|
| Furniture and fixtures | 2-5 | 2-5 | 2-5 | 2-5 | 2-5 |
| Computer and Network Equipment | 4-6 | 4-6 | 4-6 | 6 | 6 |
| Vehicles | 5-8 | 5-8 | 5-8 | 5 | 5 |
| Plant & Machinery | 5 | 5 | 5 | 5 | NA |
| Office Equipment | 2-7 | 2-7 | 2-7 | 2-7 | 2-7 |

In fiscal 2013, we revised the estimated useful life of furniture and fixtures, office equipment, vehicles and leasehold improvements, which resulted in an additional charge of depreciation amounting to ₹ 12.66 million in that fiscal year. Further, in fiscal 2015, we revised the estimated useful lives of Computers and Network Equipment which resulted in an additional charge of depreciation amounting to ₹ 9.05 million in that fiscal year. These changes are considered as a change in the estimates and consequently no retrospective adjustments have been made.

Wherever we have applied useful lives different from Schedule II of the Companies Act, 2013, adequate internal assessment and technical evaluation have been performed.

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 amortized over the primary period of lease or 7 years, whichever is lesser.

***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 year 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 are amortized on a straight line basis over the period of rights, ranging between one to 10 years.

Capitalized "Portal Development" expenses are amortized on straight line basis over a period of three years.

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

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from that previously 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 accounted for in accordance with AS 5 Net profit or loss for the period, prior period items and changes in accounting policies

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.

*Research and development costs*

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when we can demonstrate all the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the asset;
- the ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project (i.e. the estimated useful life of 10 years). Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually

***Impairment of Property, Plant and Equipment and Intangible Assets***

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

Impairment losses 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 recognized 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

***Leases***

*Where we are a lessee*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

***Investments***

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

***Income Taxes***

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws prevailing in the respective tax jurisdictions where we operate. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. 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 tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where we have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, we re-assess unrecognized deferred tax assets. We recognize unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. We write down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax ("**MAT**") paid in a year is charged to our statement of profit and loss as current tax. We recognize MAT credit available as an asset only to the extent that there is convincing evidence that we will pay normal income tax during the specified period (i.e. the period for which MAT credit is allowed to be carried forward). In the year in which we recognize MAT credit as an asset in accordance with the "Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to our statement of profit and loss and shown as "MAT Credit Entitlement". We review the "MAT Credit Entitlement" asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

***Employee Stock Compensation Cost***

Our employees (including senior executives) receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. We measure compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

***Measurement of EBITDA***

As permitted by Schedule III of the Companies Act, 2013, we have elected to present earnings before interest, tax, depreciation and amortization ("EBITDA") as a separate line item on the face of the statement of profit and loss. We measure EBITDA on the basis of profit/(loss) from total operations. In such measurement, we do not include depreciation and amortization expense, finance costs, finance income and tax expense.

***Foreign Currency Translation***

*Foreign currency transactions and balances*

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

The revenue transactions of the integral operations are recorded at weighted average monthly rates for practical rates for practical purpose where such rates approximate the exchange rate at the date of transactions.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

Exchange differences arising on translation/settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise.

(iv) Translation of integral foreign operations

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of our Company. The resulting difference on account of translations is recorded in the statement of profit and loss.

(v) Translation of non-integral foreign operations

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

***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 our Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Our Company does not recognize a contingent liability but discloses its existence in the financial statements.

**Our Income**

***Revenue from Operations***

A substantial portion of our revenue from operations is derived from our online matchmaking services. We also generate revenue from operations through the provision of marriage services.

***Other Income***

The key components of our other income are interest income from bank deposits and loans, liabilities no longer required to be written back with respect to unreconciled customer advances and rental income comprising seat sharing revenue from IPOPL.

**Our Expenses**

Our expenses primarily consist of the following:

- *Employee benefits expense*, which consists primarily of salaries, incentive and bonus, directors' remuneration, employee conveyance, staff welfare costs, recruitment and training costs, and other payments and amounts reserved to fulfill our statutory obligations to our employees such as the provision of gratuity under our defined benefit gratuity plan pursuant to the Payment of Gratuity Act, 1972, in India and the local regulations in Dubai.

- *Advertisement and business promotion expenses*, which consist primarily of online and offline marketing expenses described below:

    - Advertisement: This comprises online and offline advertising expenses, covering media such as television, online media (including costs of profile acquisitions from websites such as Google), radio, print media and outdoor hoardings and billboards.

    - Business promotion expenses: This mainly comprises expenses incurred for sending SMSes to our existing customers, promotions at events and domain registration and renewal charges.

    For further details, see "*Our Business – Sales, Customer Service and Marketing – Marketing*" on page 151.

- Other expenses, which consists primarily of web hosting charges, electricity charges, rent and amenities, repair and maintenance expenses, travelling and conveyance expenses, communication costs, legal and professional fees, collection charges and other miscellaneous expenses.

### Our Tax Expenses

Our tax expenses consist of current tax, which reflects primarily income tax on profits and other income.

### Results of Operations

This section discusses and analyzes our results of operations for fiscal 2017 compared to fiscal 2016 and fiscal 2016 compared to fiscal 2015. We discuss our results of operations on both a consolidated and a segmental basis.

The following table sets forth a summary of our consolidated statement of profits and losses, as restated, by amount and as a percentage of our total revenue during the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any other future period.

| **Particulars** | **Fiscal 2017** | | **Fiscal 2016** | | **Fiscal 2015** | |
|---|---|---|---|---|---|---|
| | **₹ million** | **%** | **₹ million** | **%** | **₹ million** | **%** |
| **Income from operations** | | | | | | |
| Revenue from operations | | | | | | |
| Matchmaking services | 2,807.63 | 95.85 | 2,440.31 | 95.54 | 2,319.91 | 95.53 |
| Marriage services | 120.56 | 4.12 | 107.89 | 4.22 | 73.50 | 3.03 |
| Sale of products - return gifts | - | - | - | - | 20.71 | 0.85 |
| | | | | | | |
| Other income | 1.11 | 0.04 | 6.09 | 0.24 | 14.29 | 0.59 |
| **Total revenue** | **2,929.30** | **100.00** | **2,554.29** | **100.00** | **2,428.41** | **100.00** |
| | | | | | | |
| **Expenses** | | | | | | |
| Purchase of traded goods | - | - | - | - | 15.10 | 0.62 |
| Increase / (decrease) in inventories of traded goods | - | - | - | - | 3.85 | 0.16 |
| Employee benefit expenses | 1,165.85 | 39.80 | 1,252.52 | 49.04 | 1,059.28 | 43.62 |
| Advertisement and business promotion expenses | 522.30 | 17.83 | 538.60 | 21.09 | 532.52 | 21.93 |
| Other expenses | 649.11 | 22.16 | 690.86 | 27.05 | 639.58 | 26.34 |
| **Total expenses** | **2,337.26** | **79.79** | **2,481.98** | **97.17** | **2,250.33** | **92.67** |
| | | | | | | |
| **Restated earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)** | **592.04** | **20.21** | **72.31** | **2.83** | **178.08** | **7.33** |
| | | | | | | |
| Depreciation and amortisation expense | 103.81 | 3.54 | 97.54 | 3.82 | 81.67 | 3.36 |
| | | | | | | |
| Finance cost | 44.28 | 1.51 | 29.86 | 1.17 | 15.71 | 0.65 |
| | | | | | | |
| Finance income | (37.74) | (1.29) | (42.24) | (1.65) | (32.14) | (1.32) |
| | | | | | | |

| Particulars | Fiscal 2017 | | Fiscal 2016 | | Fiscal 2015 | |
|---|---|---|---|---|---|---|
| | ₹ million | % | ₹ million | % | ₹ million | % |
| **Restated earnings before exceptional items, tax and minority interest** | **481.69** | **16.44** | **(12.85)** | **(0.50)** | **112.84** | **4.65** |
| | | | | | | |
| Less: Exceptional items | 43.72 | 1.49 | 737.66 | 28.88 | 141.78 | 5.84 |
| | | | | | | |
| **Restated profit / (loss) before tax and minority interest** | **437.97** | **14.95** | **(750.51)** | **(29.38)** | **(28.94)** | **(1.19)** |
| | | | | | | |
| **Tax expense** | | | | | | |
| Current tax | 15.14 | 0.52 | 0.04 | 0.00 | 0.10 | 0.00 |
| MAT Credit Entitlement | (15.00) | (0.51) | - | - | - | - |
| **Total tax expense** | **0.14** | **0.00** | **0.04** | **0.00** | **0.10** | **0.00** |
| | | | | | | |
| **Restated profit / (loss) before minority interest (A)** | **437.83** | **14.95** | **(750.55)** | **(29.38)** | **(29.04)** | **(1.20)** |
| | | | | | | |
| **Minority interest (B)** | **0.02** | **0.00** | **0.14** | **0.01** | **0.25** | **0.01** |
| | | | | | | |
| **Restated profit / (loss) for the year (A+B)** | **437.81** | **14.95** | **(750.69)** | **(29.39)** | **(29.29)** | **(1.21)** |

### ***Key Business Metrics***

The following table sets forth a summary of our key business metrics during the periods indicated. Our historical performance presented below is not necessarily indicative of the performance that may be expected for any other future period.

| **Portal Metrics** | **Fiscal 2017** | **Fiscal 2016** | **Fiscal 2015** |
|---|---|---|---|
| Ever registrations (in millions)*# | 26.75 | 23.53 | 20.89 |
| Free registrations (in millions) | 3.21 | 2.64 | 2.57 |
| Active profiles (in millions)* | 3.03 | 2.55 | 2.65 |
| Average registrations per day | 8,806 | 7,219 | 7,043 |
| **Financial Metrics** | **Fiscal 2017** | **Fiscal 2016** | **Fiscal 2015** |
| Paid subscriptions (in thousands) | 702 | 678 | 647 |
| Average Transaction Value (in Rs.) | 4,065 | 3,827 | 3,655 |
| Headcount^ | 3,955 | 3,745 | 4,106 |
| Retail centers* | 140 | 159 | 193 |
| Service delivery centers (number of cities)* | 10 | 10 | 12 |

* As on last date of the given time period.

# Computed by adding all free registrations since January 2006.

^ Based on the payroll register of the Standalone Company as of 20th of fiscal closing month, the 20th of each month being the cut-off date for our payroll processing till September 2015. The cut-off date for our payroll processing was subsequently changed to the 25th of each month from October 2015 onwards.

### ***Segments***

We report three segments for our business based on the internal reports reviewed by our board of directors that are used by our board of directors to make strategic decisions. Our board assesses the performance of the segments based on revenue and results. The segments identified by the board are based on the nature of the services provided. Our board considers the business based on similarity of the services provided and the nature of the risks and returns associated with each business.

Our business currently comprises two segments – (i) matchmaking services and (ii) marriage services and related sale of products. In fiscal 2017, matchmaking services and marriage services accounted for all of our revenue and there was no revenue from the related sale of products.

To enhance understanding of our underlying business performance, we report our results for each segment in our Restated Consolidated Summary Statements. The following table sets forth our segmental revenue and results prepared in accordance with Accounting Standard 17 "*Segment reporting*" during the fiscal years indicated.

| | **Fiscal 2017** | **Fiscal 2016** | **Fiscal 2015** |
|---|---|---|---|
| **Segment Revenue** | | | |
| Matchmaking services | 2,807.63 | 2,440.31 | 2,319.91 |
| Marriage services and related sale of products | 120.56 | 107.89 | 94.21 |
| Other services | - | - | - |
| Elimination of inter-segment sales | - | - | - |
| **Total** | **2,928.19** | **2,548.20** | **2,414.12** |
| **Segment Results** | | | |
| Matchmaking services | 738.55 | 285.23 | 339.77 |
| Marriage services and related sale of products | (124.95) | (141.14) | (132.64) |
| Other services | (2.06) | (36.70) | (1.77) |
| **Total** | **611.54** | **107.39** | **205.36** |

***Fiscal 2017 Compared to Fiscal 2016***

*Total Revenue*. We had total revenue of ₹ 2,929.30 million in fiscal 2017, an increase of 14.68% over our total revenue of ₹ 2,554.29 million in fiscal 2016. This increase in total revenue was due to a 14.91% increase in revenue from operations, offset by an 81.77% decrease in other income.

- *Revenue from operations.* Our revenue from operations increased by 14.91% to ₹ 2,928.19 million in fiscal 2017 from ₹ 2,548.20 million in fiscal 2016. This increase was primarily due to an increase in our revenue from matchmaking services. In fiscal 2017, 95.88% of our revenue from operations was from matchmaking services and 4.12% was from marriage services. In fiscal 2016, 95.77% of our revenue from operations was from matchmaking services and 4.23% was from marriage services.

*Total Expenses.* Our total expenses decreased by 5.83% to ₹ 2,337.26 million in fiscal 2017 from ₹ 2,481.98 million in fiscal 2016. This decrease was due to a decrease in employee benefits expenses, advertisement and business promotion expenses and other expenses. As a percentage of our total revenue, our total expenses decreased from 97.17% in fiscal 2016 to 79.79% in fiscal 2017.

- *Employee benefits expenses*. Our employee benefits expenses totaled ₹ 1,165.85 million in fiscal 2017, a 6.92% decrease over our employee benefits expense of ₹ 1,252.52 million in fiscal 2016. This decrease was principally attributable to the departure of some of our key managerial employees and the outsourcing of certain support functions in fiscal 2017, offset by an increase in the number of our employees from 3,745 to 3,955. Our number of employees increased due to the expansion of our business, in particular our sales and technology function and marriage services initiatives, which was slightly offset by the phasing out of the operations of Tambulya.com and "Matchify".

- *Advertisement and business promotion expenses*. Our advertisement and business promotion expenses totaled ₹ 522.30 million in fiscal 2017, a decrease of 3.03% over our advertisement and business expenses of ₹ 538.60 million in fiscal 2016, which was principally attributable to the streamlining of our marketing strategy.

- *Other expenses*. Our other expenses totaled ₹ 649.11 million in fiscal 2017, a 6.04% decrease over our other expenses of ₹ 690.86 million in fiscal 2016, which was principally attributable to the phasing out of Tambulya.com and "Matchify" in 2016.

*Restated Profit Before Exceptional Items, Interest, Tax, Depreciation and Amortization ("**EBITDA**")*. As a result of the factors outlined above, our EBITDA increased 718.75% from ₹ 72.31 million in fiscal 2016 to ₹ 592.04 million in fiscal 2017. As a percentage of total revenue, our EBITDA increased from 2.83% in fiscal 2016 to 20.21% in fiscal 2017.

*Depreciation and Amortization Expense*. Depreciation and amortization totalled ₹ 103.81 million in fiscal 2017, a 6.43% increase over depreciation and amortization of ₹ 97.54 million in fiscal 2016, which was primarily attributable to an increase in provision for depreciation in our tangible and intangible assets.

*Exceptional Items*. In fiscal 2017, we recorded a profit of ₹ 2.35 million in connection with the liquidation of our subsidiary, BharatMatrimony.com LLC, Dubai, which was in the business of providing marketing and administrative services to our Company in respect of the non-resident Indian market in the Gulf countries. The business license of BharatMatrimony.com LLC, Dubai was terminated with effect from April 25, 2016. In fiscal 2017, we expensed off IPO related expenses of ₹ 46.07 million, being expenses not eligible to be adjusted against securities premium as prescribed under Section 52 of the Companies Act, 2013.

*Tax Expense*.

We recorded a current tax of ₹ 15.14 million in fiscal 2017, compared to ₹ 0.04 million in fiscal 2016. The increase in current tax was principally due to increased income tax on taxable profits of our subsidiaries. However, we also recognized an MAT Credit Entitlement of ₹ 15.00 million in fiscal 2016 such that our total tax expense for such period was ₹ 0.14 million.

*Restated Loss Before Minority Interest*. As a result of the factors outlined above, our restated profit before minority interest was ₹ 437.83 million in fiscal 2017, compared to a restated loss before minority interest of ₹ 750.55 million in fiscal 2016.

*Segment Analysis*

*Segment revenue*

- *Matchmaking services* – Our revenue from matchmaking services increased by 15.05% to ₹ 2,807.63 million in fiscal 2017 from ₹ 2,440.31 million in fiscal 2016. The increase in revenue from matchmaking services was driven by (i) an increase of 3.54% in the number of paid subscriptions from 678,000 for fiscal 2016 to 702,000 in fiscal 2017, due to increased customer engagement on our portals and the introduction of campaign management and (ii) an increase of 6.22% in ATV from ₹ 3,827 in fiscal 2016 to ₹ 4,065 in fiscal 2017, primarily due to increased subscription in higher value products in fiscal 2017.

- *Marriage services* – Our revenue from marriage services and related sale of products increased by 11.74% to ₹ 120.56 million in fiscal 2017 from ₹ 107.89 million in fiscal 2016, which was attributable to an increase in our marriage services revenue due to the scaling up of our MatrimonyPhotography.com services with the expansion of operations across Tamil Nadu, Kerala, Andhra Pradesh and Telangana as well as MatrimonyBazaar.com, which was offset in part by a decrease in revenue from MatrimonyDirectory.com services and the phasing out of Tambulya.com.

- *Other services* – We did not have any revenue from other services in fiscal 2016 and fiscal 2017.

*Segment results*

- *Matchmaking services* – Segment results for matchmaking services was ₹ 738.55 million in fiscal 2017, representing an increase of 158.93% compared to ₹ 285.23 million in fiscal 2016. Segment results increased as a result of an increase in revenue from matchmaking services and a decrease of 3.99% in expenses for matchmaking services from ₹ 2,155.08 million in fiscal 2016 to ₹ 2,069.08 million in fiscal 2017. Segment results margin (segment results divided by segment revenue) for matchmaking services increased from 11.69% in fiscal 2016 to 26.31% in fiscal 2017.

- *Marriage services and related sale of products* – Segment results for marriage services and related sale of products was ₹ (124.95) million in fiscal 2017, representing a decreased loss of 11.47% compared to

₹ (141.14) million in fiscal 2016. Segment results improved as a result of an increase in revenue from marriage services and related sale of products and a decrease of 1.42% in expenses for marriage services and related sale of products from ₹ 249.03 million in fiscal 2016 to ₹ 245.50 million in fiscal 2017. The decrease in expenses for marriage services and related sale of products was primarily attributable to decreased employee benefits expenses due to the phasing out of Tambulya.com and the outsourcing of photography services.

- *Other services* – Segment results for other services was ₹ (2.06) million in fiscal 2017, representing a decreased loss of 94.39% compared to ₹ (36.70) million in fiscal 2016, which was primarily attributable to the phasing out of our mobile-only relationship app, "Matchify", which focused on the mobile dating space in India. We had faced challenges in attracting female users to use "Matchify" and monetizing the business and as such, our management decided to phase out this business in 2016, since our view is that such relationships are not currently favored by a vast majority of the Indian market at this point in time.

***Fiscal 2016 Compared to Fiscal 2015***

*Total Revenue*. We had total revenue of ₹ 2,554.29 million in fiscal 2016, an increase of 5.18% over our total revenue of ₹ 2,428.41 million in fiscal 2015. This increase in total revenue was due to a 5.55% increase in revenue from operations, offset by a 57.38% decrease in other income.

- *Revenue from operations.* Our revenue from operations increased by 5.55% to ₹ 2,548.20 million in fiscal 2016 from ₹ 2,414.12 million in fiscal 2015. This increase was primarily due to an increase in our revenue from matchmaking services. In fiscal 2016, 95.77% of our revenue from operations was from matchmaking services and 4.23% was from marriage services. In fiscal 2015, 96.10% of our revenue from operations was from matchmaking services, 3.04% was from marriage services and 0.86% was from sale of products – return gifts.

*Total Expenses.* Our total expenses increased by 10.29% to ₹ 2,481.98 million in fiscal 2016 from ₹ 2,250.33 million in fiscal 2015. This increase was primarily due to increased employee benefits expenses, advertisement and business promotion expenses and other expenses. As a percentage of our total revenue, our total expenses increased from 92.67% in fiscal 2015 to 97.17% in fiscal 2016.

- *Employee benefits expenses*. Our employee benefits expenses totaled ₹ 1,252.52 million in fiscal 2016, an 18.24% increase over our employee benefits expense of ₹ 1,059.28 million in fiscal 2015. This increase was principally attributable to an increase in mid-level management and remuneration levels, offset by a decrease in the number of our Company's employees from 4,106 to 3,745. Our number of employees decreased due to the consolidation of branch and retail operations and the rationalization of support functions.

- *Advertisement and business promotion expenses*. Our advertisement and business promotion expenses totaled ₹ 538.60 million in fiscal 2016, a 1.14% increase over our advertisement and business expenses of ₹ 532.52 million in fiscal 2015, in furtherance of our growth and expansion strategy.

- *Other expenses*. Our other expenses totaled ₹ 690.86 million in fiscal 2016, an 8.02% increase over our other expenses of ₹ 639.58 million in fiscal 2015, which was principally attributable to an increase in infrastructure expenses such as web hosting charges, electricity charges, rent and amenities and repair and maintenance expenses in furtherance of our growth and expansion strategy as well as an increase in communication costs, legal and professional fees, collection charges and other miscellaneous expenses.

*Restated Profit Before Exceptional Items, Interest, Tax, Depreciation and Amortization ("**EBITDA**")*. As a result of the factors outlined above, our EBITDA decreased 59.39% from ₹ 178.08 million in fiscal 2015 to ₹ 72.31 million in fiscal 2016. As a percentage of total revenue, our EBITDA decreased from 7.33% in fiscal 2015 to 2.83% in fiscal 2016.

*Depreciation and Amortization Expense*. Depreciation and amortization totalled ₹ 97.54 million in fiscal 2016, 19.43% increase over depreciation and amortization of ₹ 81.67 million in fiscal 2015, which was primarily attributable to an increase in provision for depreciation in our tangible and intangible assets.

*Exceptional Items*. We incurred legal costs of ₹ 206.69 million in fiscal 2016, an increase of 41.34% from ₹ 146.24 million in fiscal 2015, in defending our Company, our Promoter and our investors in connection with the US Litigation. We also incurred a settlement cost of ₹ 530.97 million in fiscal 2016 in connection with the Settlement. For further details on the Settlement and the Settlement Agreement, see "*History and Certain Corporate Matters—Other Agreements*" on page 170.

In addition, we have classified the following as exceptional items in fiscal 2015:

- We earned a profit of ₹ 4.00 million in connection with the sale of 300,000 equity shares held in Perspi Interactive Private Limited pursuant to a sale agreement dated September 1, 2014 with certain buyers.

- We earned a profit of ₹ 0.46 million in connection with the sale of our entire investment held in MatrimonyGifts Wholesale India Private Limited pursuant to a sale agreement dated December 29, 2014 with certain buyers. This sale was approved by our Company's board of directors on December 30, 2014. The pending applications which had been filed by our Company before the Registrar of Trade Marks for registration of the label or trademark, "Tambulya", shall rest with our Company.

*Tax Expense*. We recorded a current tax of ₹ 0.04 million in fiscal 2016 compared to ₹ 0.10 million in fiscal 2015. This was principally due to income tax on taxable profits of our subsidiaries.

*Restated Loss Before Minority Interest*. As a result of the factors outlined above, our restated loss before minority interest was ₹ 750.55 million in fiscal 2016, an increase of 2,484.54% from a restated loss before minority interest of ₹ 29.04 million in fiscal 2015.

*Segment Analysis*

*Segment revenue*

- *Matchmaking services* – Our revenue from matchmaking services increased by 5.19% to ₹ 2,440.31 million in fiscal 2016 from ₹ 2,319.91 million in fiscal 2015. The increase in revenue from matchmaking services was driven by (i) an increase of 4.79% in the number of paid subscriptions from 647,000 for fiscal 2015 to 678,000 in fiscal 2016, due to increased customer engagement on our portals and the introduction of campaign management and (ii) an increase of 4.72% in ATV from ₹ 3,655 in fiscal 2015 to ₹ 3,827 in fiscal 2016, primarily due to increased subscription in higher value products in fiscal 2016 and the usual year-on-year price increase in our subscription packages and services, offset in part by the following:

  - we had introduced Till-U- Marry towards the end of fiscal 2015 and in fiscal 2016, some of our subscriptions were from this longer duration package. As the subscription revenue for such subscription package is accounted for over the duration of the package of two to three years, this had an adverse impact on our revenue for fiscal 2016 as revenue amounting to ₹ 147.60 million from the sale of such subscription package remained as deferred revenue as at the end of fiscal 2016. For further details on our Till-U-Marry subscription package, see "Business—Our Business";

  - our operating revenue, which we report net of service tax, was adversely impacted in fiscal 2016 as the service tax rate was increased from 12.36% to 14.00% from June 1, 2015 and was subsequently revised again to 14.50% from November 15, 2015 due to the levy of the new Swachh Bharat cess of 0.50%; and

  - the unprecedented floods in Chennai in December 2015 affected our operations for several weeks in fiscal 2016 as certain critical business processes are carried out by our offices in Chennai.

- *Marriage services and related sale of products* – Our revenue from marriage services and related sale of products increased by 14.52% to ₹ 107.89 million in fiscal 2016 from ₹ 94.21 million in fiscal 2015. The increase in revenue from marriage services and related sale of products was driven by (i) an increase of 46.79% in our marriage services revenue from ₹ 73.50 million in fiscal 2015 to ₹ 107.89 million in fiscal 2016 due to the scaling up of our MatrimonyPhotography.com services with the expansion of operations across Tamil Nadu and Kerala, which was offset in part by a decrease in revenue from MatrimonyDirectory.com services and sale of products – return gifts.

- *Other services* – We did not have any revenue from other services in fiscal 2015 and fiscal 2016.

*Segment results*

- *Matchmaking services* – Segment results for matchmaking services was ₹ 285.23 million in fiscal 2016, representing a decrease of 16.05% compared to ₹ 339.77 million in fiscal 2015. Segment results decreased as a result of an increase of 8.83% in expenses for matchmaking services from₹ 1,980.14 million in fiscal 2015 to ₹ 2,155.08 million in fiscal 2016, although this was offset by an increase in revenue from matchmaking services. Segment results margin (segment results divided by segment revenue) for matchmaking services decreased from 14.65% in fiscal 2015 to 11.69% in fiscal 2016.

- *Marriage services and related sale of products* – Segment results for marriage services and related sale of products was ₹ (141.14) million in fiscal 2016, representing an increased loss of 6.41% compared to ₹ (132.64) million in fiscal 2015. Segment results decreased as a result of an increase of 9.78% in expenses for marriage services and related sale of products from ₹ 226.85 million in fiscal 2015 to ₹ 249.03 million in fiscal 2016, although this was offset by an increase in revenue from marriage services and related sale of products. The increase in expenses for marriage services and related sale of products was primarily attributable to increased employee benefits expenses and other expenses relating to the operations of our marriage services such as MatrimonyPhotography.com and Tambulya.com which were in their initial business phases. In July 2016, our Board decided to reduce the operations of our subsidiary which operates Tambulya.com in a phased manner without any further investment due to various operational challenges. As of the date of this Draft Red Herring Prospectus, the Tambulya.com website is not operational.

- *Other services* – Segment results for other services was ₹ (36.70) million in fiscal 2016, representing an increased loss of 1,973.45% compared to ₹ (1.77) million in fiscal 2015. This segment result loss was primarily due to advertisement and business promotion expenses incurred in launching our mobile-only relationship app, "Matchify", which focused on the mobile dating space in India, on the Android mobile platform. However, as we faced challenges in attracting female users to use "Matchify" and monetizing the business, in July 2016, our management decided to reduce the operations of our subsidiary which operates "Matchify" in a phased manner without any further investment since our view is that such relationships are not currently favored by a vast majority of the Indian market at this point in time.

**Liquidity and Capital Resources**

Over the past three years, we have been able to finance our working capital requirements through cash generated from our operations and financing through issuance of share capital. We have relied on cash from internal resources to finance the expansion of our business and operations, and do not have any debt (other than overdraft facilities and a secured vehicle loan with HDFC Bank). Our primary liquidity needs are to finance our working capital requirements. We believe that after taking into account the expected cash to be generated from our business and operations (including customer advances), we have sufficient working capital for our present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Draft Red Herring Prospectus.

As of March 31, 2017, we had ₹ 580.13 million of cash and bank balances and no long-term borrowings (except for a vehicle loan of ₹ 1.56 million representing current maturities which has been classified under other current liabilities), which we believe is a competitive advantage for us and a platform to grow our operations without being constrained by significant reliance on external financing sources.

| | **As at March 31,** | | |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| | **(₹ million)** | | |
| Cash and bank balances | 580.13 | 583.84 | 531.24 |

***Cash Flows***

Most of our revenues, in the form of subscriptions, are received by us in advance of the provision of services. We recognize such revenues as income in the books of accounts in accordance with accepted revenue recognition norms. See "—*Our Critical Accounting Policies*" beginning on page 343.

Due to the nature of our business, we have positive cash flow streams and have, historically, not required any working capital or other financing to meet our costs of operations. In addition, our cash flow streams result in us making certain short term and long-term investments, which we utilize to meet our liquidity requirements.

Set forth below is a table from our restated consolidated financial statements showing our cash flow from operating activities before exceptional items, cash flow used in investing activities and cash flow from financing activities.

| | **Fiscal 2017** | **Fiscal 2016** | **Fiscal 2015** |
|---|---|---|---|
| | | **(₹ million)** | |
| Net cash generated from operating activities before exceptional items | 495.78 | 204.80 | 232.42 |
| Net cash generated from/(used in) investing activities | 6.83 | 5.56 | (148.30) |
| Net cash generated from/(used in) financing activities | (77.25) | 183.12 | 152.43 |

*Net cash generated from operating activities before exceptional items*

In fiscal 2017, our net cash generated from operating activities before exceptional items was ₹ 495.78 million, reflecting a net profit before taxation from operations before exceptional items and minority interest of ₹ 481.69 million, an increase in trade receivables, long term loans and advances, other current assets, other current liabilities and long/short term provisions and a decrease in trade payables, short term loans and advances and other non-current liabilities during the fiscal year.

In fiscal 2016, our net cash generated from operating activities before exceptional items was ₹ 204.80 million, reflecting primarily a net loss before taxation from operations before exceptional items and minority interest of ₹ 12.85 million, an increase in trade receivables, trade payables, short term loans and advances, other current assets, other current liabilities and long/short term provisions and a decrease in long term loans and advances during the fiscal year.

In fiscal 2015, our net cash generated from operating activities before exceptional items was ₹ 232.42 million, reflecting primarily a net profit before taxation from operations before exceptional items and minority interest of ₹ 112.84 million, an increase in short term loans and advances, other current assets, other current liabilities and long/short term provisions and a decrease in long term loans and advances during the fiscal year.

Our cash flow used in exceptional items in fiscal 2017, fiscal 2016 and fiscal 2015 was ₹ 354.59 million, ₹ 279.95 million and ₹ 149.08 million, respectively.

*Net cash generated from/(used in) investing activities*

In fiscal 2017, our net cash used in investing activities was ₹ 6.83 million, principally attributable to interest received from bank deposits and our investment in bank deposits (with maturity more than three months), offset by the purchase of fixed assets. In fiscal 2016, our net cash generated from investing activities was ₹ 5.56 million, principally attributable to interest received from bank deposits and our investment in bank deposits (with maturity of more than three months), offset by the purchase of fixed assets. In fiscal 2015, our net cash used in investing activities was ₹ 148.30 million, principally attributable to an investment in bank deposits (with maturity more than three months) and the purchase of fixed assets.

*Net cash generated from/(used in) financing activities*

In fiscal 2017, our net cash used in financing activities was ₹ 77.25 million, primarily due to interest paid on our borrowings and the repayment of a portion of our borrowings under overdraft facilities. In fiscal 2016, our net cash generated from financing activities was ₹ 183.12 million, primarily due to drawdown of overdraft facilities.

In fiscal 2015, our net cash generated from financing activities was ₹ 152.43 million, primarily due to drawdown of overdraft facilities and proceeds from the issue of share capital.

***Indebtedness***

Other than overdraft facilities maintained with HDFC Bank which are secured against our bank deposits and a secured vehicle loan, as of March 31, 2017, we do not have any credit facilities from any banks or financial institutions. Our total secured borrowings (long term and short term) as of March 31, 2017 was ₹ 445.32 million in connection with these overdraft facilities and the vehicle loan.

***Capital Expenditures***

Our capital expenditures are mainly related to the purchase of fixed assets and intangibles, principally plant and machinery, office equipment, furniture and fixtures, computer and network equipment. The primary source of financing for our capital payments has been our cash from operations.

The table below provides details of our net cash outflow or inflow on capital expenditures for the periods stated.

| | **Fiscal 2017** | **Fiscal 2016** | **Fiscal 2015** |
|---|---|---|---|
| | **(₹ million)** | | |
| Cash used in purchase of fixed assets (including intangible assets, capital work-in-progress and capital advances), net off cash from proceeds from sale of fixed assets | 100.14 | 98.25 | 100.44 |

**Contractual Obligations**

The table below sets forth, as of March 31, 2017, our contractual obligations with definitive payment terms. These obligations primarily relate to rent incurred under leases of our offices (including retail outlets) across India.

| | **As of March 31, 2017** | | | |
|---|---|---|---|---|
| | **Total** | **Less than one year** | **One to five years** | **After five years** |
| | **(₹ million)** | | | |
| Lease rent | 465.78 | 109.50 | 288.93 | 67.35 |

**Contingent Liabilities**

As of March 31, 2017, the following contingent liabilities had not been provided for in accordance with Accounting Standard 29:

- Service tax – Our Company has certain pending litigations with the Customs, Excise and Service Tax Appellate Tribunal ("**CESTAT**") and on a prudent basis, we have provided for the service tax liabilities and interest. Further, our Company has received a demand order from the Commissioner of Service Tax for the period 2007-08 to 2009-10 under Section 78 of the Finance Act in relation to the non-payment of service tax on the import of certain services made during that period. Our Company has admitted the liability and made payments along with interest. Based on legal consultation, we believe that no provision is required to be made in the books in respect of the penalty of ₹ 6.91 million demanded by the authorities.

- Payment of Bonus (Amendment) Act, 2015 non-compliance – In fiscal 2016, our Company 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 fiscal 2015 is ₹ 5.50 million. Based on legal advice, our management believes that our Company has a fair chance of defending its position. Accordingly, no provision has been maintained with respect to fiscal 2015. Our Company has implemented Payment of Bonus (Amendment) Act, 2015 with effect from April 1, 2015.

- FEMA non-compliance – In earlier years, our Company and our wholly-owned overseas subsidiary had made certain remittances aggregating to US$0.004 towards equity capital for the incorporation of two entities. These two entities did not commence commercial operations and one entity was liquidated in 2013. In October 2016, our Company received a communication from the Reserve Bank of India ("**RBI**") intimating contraventions of the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA Regulations**") in respect of such remittances made in earlier years. Our Company has filed applications with RBI for compounding of these offences pursuant to the applicable provisions of the FEMA Regulations. Based on the communication received from RBI on this matter and the nature of these contraventions, our management believes that this matter will not have any material impact on the financial statements.

The contingent liabilities may become actual liabilities. In the event that such contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

**Off-Balance Sheet Transactions**

We do not have any off-balance sheet transactions.

**Quantitative and Qualitative Disclosures about Market Risk**

***Interest Rate Risk***

Other than overdraft facilities maintained with HDFC Bank which are secured against our bank deposit and a secured vehicle loan, as of the date of this Draft Red Herring Prospectus, we do not have any credit facilities from any banks or financial institutions. As a result, changes in interest rates are not likely to substantially affect our business or results of operations.

***Exchange Rate Risk***

We have certain advances and trade payables denominated in U.S. dollar and United Arab Emirates dirham. We currently do not use any foreign exchange hedging contracts to manage our exchange rate risk. However, historically, our results of operations have not been materially affected by fluctuation in exchange rates.

**Inflation**

In recent years, India has experienced relatively high rates of inflation. However, this has not had a material impact on our business and results of operations.

**Unusual or Infrequent Events or Transactions**

Except as discussed elsewhere in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which could be described as "unusual" or "infrequent.

**Known Trends or Uncertainties**

Except as discussed in the sections entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 17 and 337, respectively, and elsewhere in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our revenues.

**Future Relationship between Costs and lncome**

Except as discussed in the sections entitled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 17 and 337, respectively, and elsewhere in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on our operations or finances.

**New Products or Business Segments**

Except as discussed in this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

**Seasonality of Business**

Our business experiences seasonal fluctuations. We tend to experience lower revenue from our business during the second quarter of each year, which are considered inauspicious by our members. As a result, subscription revenues during such quarter would register a slight dip and quarter-to-quarter comparisons of our results may not be meaningful.

**Competitive Conditions**

We expect competition to intensify from existing and potential competitors both in the online businesses and from competitors who provide these services offline. For details of competitive conditions, please refer to the sections entitled "*Risk Factors*" and "*Our Business*" beginning on pages 17 and 138, respectively.

**Significant Developments subsequent to March 31, 2017**

To our knowledge, except as otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

## FINANCIAL INDEBTEDNESS

Pursuant to a resolution of our shareholders dated June 25, 2015, the Board is authorised to borrow up to an amount ₹ 1,000,000,000 in excess of the paid up capital and free reserves of our Company for creation of charge/providing security for the sum borrowed on the assets of our Company.

Our Company has total borrowings, comprising secured overdraft facilities maintained with HDFC Bank Limited and a secured vehicle loan from HDFC Bank Limited, amounting to ₹ 525 million as on March 31, 2017. As on March 31, 2017, ₹ 445.32 million is outstanding in respect of such overdraft facilities and vehicle loan. Set forth below is a brief summary of our outstanding financial arrangements as on March 31, 2017.

***Overdraft facilities***

HDFC Bank Limited sanctioned an overdraft limit of ₹ 650.00 million to our Company, through its letter dated February 2, 2016 (which was reduced to ₹ 605 million as on October 31, 2016). As on March 31, 2017, ₹ 443.76 million was outstanding and repayable by our Company at an interest rate of 9.00% p.a. in respect of this overdraft facility. The overdraft facilities have been secured by way of (i) hypothecation by way of first charge on the current assets of the Company and (ii) personal guarantee of Murugavel Janakiraman.

***Vehicle loans***

Our Company has availed a loan of ₹ 10.00 million from HDFC Bank Limited on August 22, 2014 for the purpose of financing purchase of a vehicle. The total amount outstanding as on March 31, 2017 is ₹ 1.56 million. The rate of interest payable on the loan is 10.01 % p.a and the loan is repayable in 36 monthly installments.

***Corporate guarantee***

For details of an irrevocable corporate guarantee issued by our Company, see the section titled "*History and Certain Corporate Matters – Material Agreements – Other Agreements*" on page 170.

## SECTION VI – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there is no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, Promoter or Group Companies; (iii) claims related to direct or indirect tax involving our Company, Subsidiaries, Directors, Promoter or Group Companies (disclosed in a consolidated manner giving the total number of claims and total amounts involved); or (iv) other pending litigations involving our Company, Subsidiaries, Directors, Promoter, Group Companies, as determined to be material by our Board of Directors, in accordance with the SEBI Regulations.*

*Further, except as stated in this section, there are no (i) outstanding proceedings initiated against our Company for economic offences; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or any previous company law against our Company or Subsidiaries during the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus and prosecutions filed against (whether pending or not); fines imposed against; or compounding of offences under the Companies Act, 2013 done by our Company and our Subsidiaries, in the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus; (v) litigation or legal action, pending or taken against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the date of this Draft Red Herring Prospectus; (vi) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy, in accordance with the SEBI Regulations; and (vii) outstanding dues to small scale undertaking and other creditors; (viii) overdues or defaults to banks or financial institutions by our Company; and (ix) litigation involving any other person whose outcome could have material adverse effect on the position of our Company.*

*Our Board, in its meeting held on April 21, 2017 has adopted a policy for identification of group companies, material creditors and material legal proceedings ("**Materiality Policy**") for the purposes of disclosure in the DRHP, the RHP and Prospectus in accordance with the SEBI Regulations. In terms of the Materiality Policy, all pending litigation involving our Company, Subsidiaries, Directors, Promoter and Group Companies, other than criminal proceedings and statutory or regulatory actions (which are to be disclosed individually) and taxation matters (which would be disclosed in a consolidated manner in accordance with the SEBI ICDR Regulations), would be considered 'material' for the purposes of disclosure in this Draft Red Herring Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending litigation is in excess of an amount of ₹4.40 million being approximately 1% of the Company's profit after taxes as per our Restated Consolidated Financial Statements for the Fiscal Year 2017, or (ii) any such litigation the outcome of which has a bearing on the business, operations, prospects or reputation of the Company, irrespective of the amount involved in such litigation.*

*Further, in terms of the Materiality Policy, our Company considers creditors to whom the amount due exceeds 1% of the trade payables of our Company as per our Restated Consolidated Financial Statements for the Fiscal Year 2017, as 'material' creditors for the purpose of disclosures in this Draft Red Herring Prospectus.*

*It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory, regulatory or tax authorities) received by our Company, Subsidiaries, Directors, Promoter or Group Companies shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Subsidiaries, Directors, Promoter or its Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.*

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

### I. Litigation involving our Company

### A. Outstanding litigation

(I) <u>Criminal Proceedings</u>

***Litigation against our Company***

1. C. Ramachandran lodged an FIR (no. 114/2014) dated June 25, 2014 before the Sampangiramanagar police station, Bangalore against our Company and certain employees of our Company for alleged conspiracy in defrauding, cheating and causing loss to him to the tune of ₹ 2.43 million. Our Company and employees filed an application for anticipatory bail before the Court of Fast Track-II, Bengaluru City (the "**Court**"). The Court rejected the application by an order dated July 5, 2014. Our Company and employees filed writ petitions (34683/2014, 38070/2014 and 35057/2014) before the High Court of Karnataka seeking to quash the aforesaid FIR and grant a stay on the investigation, commenced pursuant to the FIR, pending the disposal of the petitions. Through its orders dated August 4, 2014 and August 12, 2014 respectively, the High Court of Karnataka has granted an interim stay on further proceedings. The matters are currently pending.

2. Sudheendra (the "**Complainant**"), the owner of Madhwamatrimony.com lodged an FIR (no. 26/2011) dated September 9, 2011 before Cyber Crime Police Station, Bengaluru against our Company and Murugavel Janakiraman, our Director and Promoter for causing loss by allegedly sending multiple emails to the members of the Complainant's website by illegally using the Complainant's email id, URL and domain name. It was further alleged that our Company dishonestly represented itself as the Complainant and caused damage to the complainant's reputation. The FIR also stated that the emails allegedly sent by our Company contained forward links to the Complainant's website, which when clicked led to pages which did not exist. This resulted in unwanted cyber traffic, denied access to the Complainant's website and caused loss to the Complainant. During the process of investigation, a search warrant dated October 10, 2011, was issued against our Company, pursuant to which search proceeding was conducted on November 10, 2011, and a laptop was seized by the investigating officer from our Company's office. Our Company also received several queries from the investigating officer to which our Company has duly replied. Pursuant to the investigation, the investigating officer submitted a final report dated July 3, 2012, before the court of Additional Chief Metropolitan Magistrate, Bengaluru (the "**ACMM**") stating that there was lack of evidence. Against this, a complaint (c.c. 11519/2013) under section 200 of the Code Criminal Procedure, 1973 was filed by Sudheendra before the ACMM upon which the ACMM ordered that a case be registered against our Company and Murugavel Janakiraman through an order dated July 19, 2013, and summons be issued to our Company and Murugavel Janakiraman. Our Company filed a petition (no. 1855/2015) dated 24 March, 2015, before the High Court of Karnataka seeking to quash the order of the ACMM and all consequential proceedings pursuant to c.c.11519/2013. The High Court of Karnataka vide its order dated March 27, 2015, granted an interim stay on the proceedings. The High Court of Karnataka vide its order dated June 18, 2015, has extended the interim stay until the next date of hearing. The matters are currently pending.

***Litigation initiated by our Company***

3. Our Company has filed a criminal complaint dated April 4, 2015 against Nasim Banu, an employee of our Company, for theft of approximately ₹ 0.08 million from two of our employees from within our office premises and for misappropriating funds from the personal bank account of our Managing Director/ Promoter. The police station at Mylapore has registered an FIR dated July 2, 2015 (no.1862/2015) in this regard. The matter is currently pending.

(II) Material Outstanding Litigation Involving our Company

***Litigation against our Company***

1. Priscilla Samuel filed a public interest litigation (no. 52/2013) dated January 8, 2013, before the Bombay High Court against our Company, Government of India, State of Maharashtra and others in relation to non-compliance and non-enforcement of the provisions of the Dowry Prohibition Act, 1961 (the "**Dowry Prohibition Act**"). It was alleged that our Company and other matrimonial sites, named as respondents in the petition indulged in creating wrongful demands and promoting marriage as a commercial commodity. The petitioner sought from the court, *inter alia*, a writ of mandamus directing the government to take adequate action for

compliance with the Dowry Prohibition Act and restraining our Company and other matrimonial sites from violating the Dowry Prohibition Act by way of advertisement with direct or indirect consideration or otherwise. Through an interim order dated June 16, 2016, the Bombay High Court, *inter alia*, directed the State of Maharashtra to set up a grievance redressal mechanism for dealing with grievances of the public with respect to any illegalities associated with matrimonial websites. The matter is currently pending.

***Litigation initiated by our Company***

2. The Payment of Bonus Act, 1965 (the "**Act**") was amended by the Payment of Bonus (Amendment) Act, 2015 (Act 6 of 2016) vide notification dated January 1, 2016 (the "**Amendment Act**") giving retrospective effect to the amendments from April 1, 2014. Our Company filed a writ petition (no. 10336 of 2016) before the Madras High Court requesting *inter alia*, that the court declare Section 3 of Amendment Act to be discriminatory, unconstitutional and void to the extent it discriminates schedule employment and non-scheduled employment and declare that the retrospective operation of the Amendment Act with effect from April 1, 2014 was ultra vires and void. The Madras High Court through its interim order dated March 21, 2016 has stayed the implementation of the Amendment Act, with retrospective effect with regard to payment of bonus. The Union of India has filed a transfer petition (civil) no. 1473-1531 of 2016, with the Supreme Court of India, requesting the Supreme Court of India to transfer all pending matters with respect to the Amendment Act before the High Courts to the Supreme Court of India. The matter is currently pending.

3. Our Company, through its Managing Director and Promoter, Murugavel Janakiraman, filed a suit (C.S no. 832/2009) before the Madras High Court against Google India Private Limited ("**Google India**"), People Interactive Private Limited, Jeevansathi Internet Services Private Limited and Times Business Solutions Limited (the "**Other Defendants**") in relation to alleged inducement and diversion caused by Google India by showing links to the webpages of the Other Defendants in the sponsored links section of Google India's search services. Our Company has further alleged that Google India has been instrumental in inducing the passing off of our Company's services by Other Defendants. Our Company has sought for a permanent injunction restraining Google India and the Other Defendants from infringing, directly or indirectly, upon the trademarks and services registered and provided by it and has demanded ₹1.01 million as damages. Our Company also filed a common affidavit, dated September 16, 2009 (O.A no. 977 and 978), before the Madras High Court seeking a temporary, ad-interim and interim injunction against the defendants, restraining them from passing off our Company's services and causing harm to its business. The relief of interim injunction was granted to our Company through an order, dated September 17, 2009. However, through an order dated October 9, 2009, the Madras High Court vacated the aforementioned order and directed Google India to adhere to its present business policy to ensure that Other Defendants do not use our Company's trademarks in their ad words.

   Meanwhile, our Company had filed another application dated October 7, 2009, before the Madras High Court seeking to make absolute the ad-interim injunction granted on September 17, 2009. The Madras High Court passed an order on September 30, 2010, dismissing the applications for interim injunction. However, the court reiterated its direction to Google India to adhere to its policy to ensure that Other Defendants do not pass over our Company's adwords and services.

   Subsequently, our Company preferred an appeal (O.S.A. nos. 406 and 407) against the order dated September 30, 2010 before the Madras High Court (Appellate Jurisdiction). On September 10, 2012, the Madras High Court (Appellate Jurisdiction) dismissed the appeals and the application for interim injunction, thereby upholding the order, dated September 30, 2010, till the disposal of the case on merit.

   Our Company preferred a special leave petition (SLP no. 30064-30065) on September 27, 2012, against the order dated September 10, 2012, seeking, among other things, a stay on the order dated September 10, 2012 and grant of an interim injunction restraining Google India and the Other Defendants from passing off its services and infringing upon its trademarks. In the meantime, Other Defendants, through an interim order dated October 19, 2012, were restrained from displaying their names in the website of the Company.

Google India and Google Inc. also filed a special leave petition (SLP no. 32134-32135) on October 15, 2012 challenging the order dated September 10, 2012 of the Madras High Court on findings of the Madras High Court *inter alia* equating Google India and Google Inc despite them being separate legal entities. Thereafter, the SLP no. 30064-30065 was converted to civil appeal no. 906-907 of 2016 and SLP no. 32134-32135 was converted to civil appeal no. 908-909. The Supreme Court, through its order dated August 4, 2016, directed the trial court to conclude the matter within six months from the date of communication of this order to the trial court. The matter is currently pending before the trial court.

4. Our Company filed a suit (no. 190/2013) dated December 26, 2013, against Sai Enterprises before the Court of Civil Judge, Thane in relation to alleged violation of a franchise agreement dated February 15, 2008, signed with the defendant and infringement of our Company's trademarks as well as making fraudulent representations to the public with mala fide intentions for illegal monetary gain. Our Company has sought for damages of ₹ 1.00 million with interest thereon at 18% per annum, a permanent order of injunction as well as an interim injunction restraining the defendant from infringing upon its trademarks and from misleading its customers. By an order dated April 30, 2014, the Court of Civil Judge, Thane has granted an interim injunction restraining the defendant from using the website, signboard or trademarks of the plaintiff as a franchisee of the plaintiff till further date. We have filed a contempt petition (Civil M. A. No. 200714 of 2015) and an application for disclosure of all customers listed on the defendant's website. The matters are currently pending.

5. Our Company filed a civil suit (C.S. 99/2008) and an application (O.A 121-123/2008) dated January, 2008 before the Madras High Court against Bharatmatrimony.net, through Vinu Mohan seeking temporary and permanent injunction restraining the defendant from using letterheads, exhibits or any statutory material containing certain trademarks, including Bharatmatrimony, or infringe upon our Company's trademarks by using them as part of its domain name, trademarks, website, email id or trading style in a visually, phonetically or deceptively similar way. Further, our Company sought temporary injunction against the defendant from passing off its websites as our Company's website pending the disposal of the suit. The Madras High Court, through an order dated February 8, 2008, granted a temporary injunction for a period of three weeks. Subsequently, through an order dated October 1, 2010, the court made the order of injunction absolute and disposed of the application for temporary injunction. Further, the matter was posted for recording ex parte evidence through an order dated November 8, 2010. The matter is currently pending.

6. Our Company filed a plaint (C.S. no. 603/2008) dated June 6, 2008, and an application (O.A no. 689 and 690) dated June 6, 2008, against People Interactive (India) Private Limited before the Madras High Court alleging passing off of 'Matrimony 2.0', a mark conceived by our Company to provide a faster, improved and more user friendly services and infringing upon our intellectual property rights, thereby causing reputational and monetary losses. Our Company sought, *inter alia*, a temporary injunction in the interim and a permanent injunction restraining the defendant from passing off 'Matrimony 2.0' and from infringing upon the intellectual property rights owned by our Company, and a decree awarding the amount of profit made by the defendant by the use of 'Matrimony 2.0' in favour of our Company. People Interactive (India) Private Limited has also filed an application (2916/2008) before the Madras High Court disputing the claims made by our Company and requesting the court to reject the plaint in C.S. no. 603/2008. An affidavit dated August 23, 2008, was filed by the defendant seeking to reject the plaint and denying the allegations made therein. The matter is currently pending.

7. Our Company filed an information (no. 7/2012) dated January 30, 2012 against Google Inc. and Google India Private Limited (together, "**Google**") before the Competition Commission of India (the "**CCI**") alleging that Google was abusing of its dominant position in the online search engine markets and manipulating the search results to the advantage of its vertical partners irrespective of such results being popular or relevant to the search. Based on the information provided by our Company, CCI through its order dated April 3, 2012, directed the Directorate General (CCI) (the "**DG**") to initiate an investigation and submit a report. By an order dated

March 26, 2014, the CCI imposed a fine of ₹ 10 million on Google and directed it to cooperate with the investigations by furnishing such other information or documents as may be required by the DG during the course of further investigations. The matter is currently pending.

(III) Tax matters

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| **Direct tax** | | |
| Income Tax Proceedings | 9 | 207.69 |
| Income Tax Notices | 6 | 2.94 |
| **Sub-total (A)** | 15 | 210.63 |
| **Indirect tax** | | |
| Service Tax Proceedings | 2 | 9.53 |
| Service Tax and VAT Notices | 3 | 36.62 |
| **Sub-total (B)** | 5 | 46.15 |
| **Total (A+B)** | 20 | 256.78 |

(IV) Pending action by statutory or regulatory authorities against our Company

1. Our Company and in certain instances, our Company through Murugavel Janakiraman or Ravi Janakiraman has received 145 inspection notices, reports and remarks from labour authorities and shops and establishment authorities directing us to submit compliance reports owing to certain non-compliances under certain labour legislations including, *inter alia*, not displaying notices of weekly closure and holidays under various shops and establishments legislations, violation of certain provisions of the Minimum Wages Act, 1948, Maternity Benefits Act, 1961 and Payment of Gratuity Act, 1972 and not maintaining the muster rolls, service record, attendance leave and wages register observed during inspections. Pursuant to the above, our Company has submitted compliance reports for 135 labour notices stating that the compliances required under the report have been substantially made and for 10 labour notices, we are in the process of submitting the required compliance report.

2. The Labour Enforcement Officer filed a complaint (no. 5573/12) against Murugavel Janakiraman in his capacity as former Chief Executive Officer of our Company and certain other individuals before the Chief Judicial Magistrate, Lucknow for violation of certain provisions of the Payment of Wages Act, 1936 as observed at the time of inspection on December 23, 2011.

3. The Senior Labour Inspector, 32$^{nd}$ Circle, Bangalore filed a complaint (no. 1980/2014) dated August 28, 2014 against our Company, Murugavel Janakiraman and another before the Metropolitan Magistrate (Traffic Court I) for violation of certain provisions of Karnataka Payment of Wages Act. The matter is currently pending.

4. Pursuant to an inspection report (TN/PF/Inspection/50353/2014) dated August 19, 2014, the Regional Provident Fund Commissioner, Chennai (the "**RPFC**") issued a notice (CHN/TN/50353/CC-3/26/Enf/Regl/2014) dated October 8, 2014 to our Company in relation to alleged non-payment of contribution by our Company on medical allowances, conveyance allowance, statutory bonus, sales incentives, etc. paid to its employees from April, 2012 to May, 2014. Our Company replied to the notice stating that the instant issue was sub-judice before the Madras High Court and in appeals before the Supreme Court. Our Company also stated that we had filed a writ petition (no. 28969/2014) before the Madras High Court wherein our Company sought an injunction restraining the RPFC from demanding contribution under the Employees Provident Fund Act (the "**EPF Act**") on medical allowances, conveyance allowance, statutory bonus, sales incentives, etc. paid to its employees till the disposal of civil appeal no. 3965-3966/2013 pending before the Supreme Court of India. Surya Roshni Limited has filed a suit (no. 3965-3966/2013) against the Employee Provident Fund in relation to demand of contribution under the Employees Provident Fund Act on other allowances including medical allowances, conveyance allowance, statutory bonus, sales incentives, etc. paid to employees.

   Subsequently, Madras High Court through its order dated January 9, 2015, granted an injunction until further order. Through an order March 17, 2015, the RPFC assessed the amount due in the instant matter to be deposited by our Company to the tune of ₹ 16.29 million, however, in compliance with the order of the Madras High Court, the recovery actions are kept in abeyance till the final disposal of writ petition no. 28969 of 2014. Our Company has filed an appeal dated May 5, 2015, against the order dated March 17, 2015, before Employees' Provident Fund Appellate Tribunal. The matter is currently pending.

## B. Material proceedings involving other entities

1. The Chennai Metropolitan Development Authority, Chennai-8 (the "**CMDA**") has issued a notice to M/s True Value Home Private Limited and another (the lessors of our Registered Office) dated July 21, 2011, stating that certain sections of TVH Beliciaa Towers (including our Registered Office) has been constructed in deviation to the sanctioned plan. The notice also calls upon the TVH True Value Home Private Limited to discontinue the usage of the area excessively built and restore the building as per the sanctioned plan within 30 days of the notice, failing which CMDA would lock and seal these portions of the building. We understand there have been no further communication in this regard

## C. Material developments since the last balance sheet date

Other than as disclosed in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 337, in the opinion of the Board, there has not arisen any material development since the date of the last restated financial information included in this Draft Red Herring Prospectus.

## D. Outstanding dues to small scale undertaking(s) and creditors

In terms of our Materiality Policy, as on March 31, 2017, except as disclosed below, there are no outstanding amounts above ₹ 1.64 million due to any creditors by our Company.

| Name of Creditor | Amount due (in ₹) |
|---|---|
| Mirror Media | 2,527,357 |

As on March 31, 2017, an amount aggregating to ₹ 12.67 million is outstanding and due to 231 creditors by our Company. For further details, please see https://www.matrimony.com/investors.php.

## E. Defaults including non-payment of statutory dues, over-dues to banks or financial institutions

Except as disclosed elsewhere in this section, there are no defaults including non-payment of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoter and Group Companies and defaults in creation of full security as per the terms of issue or other liabilities.

## F. Material Frauds against our Company

No material frauds have been committed against our Company during the past five years.

## G. Proceedings initiated against our Company for economic offences

As on the date of this Draft Red Herring Prospectus, there are no proceedings initiated against our Company for any economic offences.

## H. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or any previous company law

Except as stated below, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law against our Company in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Company under the Companies Act, 2013 or the Companies Act, 1956:

Our Company received a notice under Section 206(1) of the Companies Act, 2013, in connection with an email complaint made by Aditya Mohta to the RoC. The complaint was in relation to an order made by the district consumer forum, Jaipur, directing us to make a payment of ₹ 13,898/- to Aditya Mohta. Our Company has made the said payment and we are in the process of responding to this notice.

**I. Compounding of offences by our Company and our Promoter**

Except as stated below, there have been no instances of compounding of offences by our Company and our Promoter in the last five years immediately preceding the year of this Draft Red Herring Prospectus:

1. We delayed in certain reporting obligations in respect of issuance of equity shares and compulsorily convertible preference shares to non-resident shareholders under the FEMA Regulations. In particular, (i) we delayed in filing details of foreign inward remittance received by us in respect of inward remittance received as share application money from, and the allotment of compulsorily convertible preference shares and equity shares to certain non-resident shareholders on January 25, 2008 and December 30, 2014, respectively; and (ii) we delayed in filing Form FC-GPR with the RBI in respect of compulsorily convertible preference shares and equity shares allotted by us to certain non-resident shareholders on January 25, 2008 and January 10, 2012. We have filed an application on May 27, 2015 with the RBI for compounding of these offences pursuant to contravention of the FEMA Regulations. Through, order dated November 6, 2015, the offences were compounded on payment of ₹ 0.82 million.

2. Our Company and Consim USA had made certain overseas remittances (on behalf of our Promoter) for setting up of Consim Direct Mauritius Limited ("**Consim Mauritius**") and India Property Online Holding Limited ("**IPOHL**") in contravention of Regulation 5 and 6 of the FEMA Notification No. 120/RB-2004. On August 22, 2016, our Company received a letter from the RBI to declare such entities as subsidiaries or step-down subsidiaries. Subsequently, we and our Promoter received a letter dated October 5, 2016 from the RBI, stating, *inter alia*, that the remittance for setting up of Consim Mauritius (made by a wholly owned subsidiary, Consim USA, on behalf of our Promoter) and IPOHL (made by our Company on behalf of our Promoter) was not made in terms of permitted modes of remittances. In this letter, the RBI further stated that applications for compounding of these contraventions could be submitted. Accordingly, we and our Promoter filed applications on November 1, 2016 with the RBI for compounding of these contraventions of the FEMA ODI Regulations. These applications were returned by the RBI by letters dated March 31, 2017 stating that administrative actions on matters relating to the applications had not been completed, further directing us to file fresh compounding applications after completion of such actions. Subsequently, we and our Promoter have re-filed compounding applications on May 3, 2017 stating (in addition to the averments in the original applications) that the amounts remitted us and Consim USA on behalf of our Promoter for setting up of IPOHL and Consim Mauritius was subsequently returned by our Promoter in April 2017 and May 2017, respectively. The matter is currently pending.

3. Our Company has filed a compounding application with the RBI on May 3, 2017 , *inter alia*, for compounding (a) transfer of Infonaut's shares from us to our Promoter without receipt of a UIN; (b) failure to submit a valuation report for divestment of Infonaut's shares by our Company within prescribed timelines; (c) the consideration for transfer of Infonaut's shares being lower than their fair value as per a valuation report; and (d) failure to file an APR and report our divestment of Infonaut's shares within prescribed timelines. Our Promoter has also filed a compounding application with the RBI on May 3, 2017, *inter alia* for compounding (a) acquisition of Infonaut's shares from us before receipt of a UIN; (b) failure to file form ODA, obtain a UIN, receive share certificates within prescribed timelines and submit annual performance reports after acquisition of Infonaut's shares from us; and (c) acquisition of Infonaut's shares for consideration lesser than the valuation price as per the valuation report. These applications are currently pending.

See also "*Risk Factors - We and our Promoter have, in the past, failed to comply with reporting requirements in respect of ours and our Promoter's overseas direct investments and delayed in some of our reporting* *obligations in respect of our issuance of equity shares and compulsorily convertible preference shares to our non-resident shareholders*" on page 29.

## II. Litigation involving the Directors of our Company

### A. Criminal litigation involving our Directors

Except as stated in sub-section titled "*Outstanding Litigation and Material Developments –Litigation involving our Company – Criminal Proceedings*", beginning on page 362, there are no outstanding criminal litigation involving our Directors.

### B. Material Outstanding litigation involving our Directors

Except as stated in sub-section titled "*Outstanding Litigation – Litigation involving our Company – Material outstanding litigation involving our Company*" beginning on page 363, there are no material outstanding litigation involving our Directors.

### C. Tax proceedings initiated against our Directors

Except as disclosed below, there are no tax proceedings initiated against our Directors:

***Murugavel Janakiraman***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| **Direct tax** | | |
| Income Tax Notices | 2 | 0.007 |
| Income Tax Proceedings | 1 | 0.19 |
| **Total** | 3 | 0.2 |

***Chinni Krishnan Ranganathan***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| **Direct tax** | | |
| Income Tax Proceedings | 7 | 67.94 |
| **Total** | 7 | 67.94 |

In addition to the proceedings tabled above, a search operation was conducted by the Income Tax department on September 24, 2014, on the residence of Chinni Krishnan Ranganathan, one of the Directors of our Company. The assessment is in progress.

### D. Pending action by statutory or regulatory authorities against our Directors

Except as stated in sub-section titled "*Outstanding Litigation and Material Developments –Litigation involving our Company – Pending action by statutory or regulatory authorities against our Company*", beginning on page 366 and as stated below, there are no outstanding action taken by statutory or regulatory authorities against our Directors:

1. George Zacharias, one of our Directors was on the board of C&S System Technologies Private Limited ("**C&S**") from February 8, 2001 to March 25, 2003. In 2011, the Serious Fraud Investigation Office ("**SFIO**") initiated certain prosecution proceedings against C&S and its directors, of which George Zacharias was impleaded as a party to three proceedings, in respect of certain violations of the provisions of the Companies Act, 1956, particularly, (i) non-appointment of a whole time company secretary as required under section 383A of the Companies Act, 1956; (ii) two proceedings in relation to non-disclosure of certain information as required under section 211 of the Companies Act, 1956. In relation to (i), George Zacharias has filed a compounding application along with C&S and certain of its directors. The same is pending before the NCLT. With respect to (ii), George Zacharias along with C&S and certain of

its directors have filed an application to quash the proceedings before the Bombay High Court. The matters are currently pending.

**E. Directors on the list of Wilful Defaulters**

None of our Directors or any entity with which our Directors are or have been associated as director, promoter, partner and/ or proprietor have been declared Wilful Defaulters.

**III. Litigation involving our Subsidiaries**

**A. Criminal litigation involving our Subsidiaries**

There are no outstanding criminal proceedings involving our Subsidiaries.

**B. Material outstanding litigation involving our Subsidiaries**

There are no material outstanding litigation involving our Subsidiaries.

**C. Tax Proceedings initiation against our Subsidiaries**

Except as disclosed below, there are no tax proceedings initiated against our Subsidiaries:

***CMPL***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| **Direct tax** | | |
| Income Tax Notices | 3 | 0.001 |
| **Total** | 3 | 0.001 |

***SIPL***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| **Direct tax** | | |
| Income Tax Proceedings | 1 | Nil |
| **Total** | 1 | Nil |

***TOMPL***

| Nature of tax involved | Number of cases outstanding | Amount involved in such proceedings (in ₹ million) |
|---|---|---|
| **Direct tax** | | |
| Income Tax Notices | 1 | 0.006 |
| **Total** | 1 | 0.006 |

**D. Pending action by statutory or regulatory authorities against our Subsidiaries**

There are no pending actions by statutory or regulatory authorities against our Subsidiaries.

**E. Compounding of Offences**

No compounding of offences has been done by our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

**F. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or any previous company law**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law against our Subsidiaries in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956.

**IV. Litigation involving our Promoter and Group Companies**

***Litigation involving our Promoter***

**A. Criminal litigation involving our Promoter**

Except as stated in sub-section titled "*Outstanding Litigation and Material Developments –Litigation involving our Company – Criminal Proceedings*", beginning on page 362 there are no outstanding criminal litigation involving our Promoter.

**B. Material Outstanding litigation involving our Promoter**

Except as stated in sub-section titled "*Outstanding Litigation – Litigation involving our Company – Material outstanding litigation involving our Company*" beginning on page 363, there are no material outstanding litigation involving our Promoter.

**C. Litigation or legal action by the Government of India or any statutory authority in last five years against our Promoter**

Except as stated in sub-section titled "*Outstanding Litigation – Litigation involving our Company*" and "*Outstanding litigation involving our Directors*" beginning on page 362 and 369, there is no litigation or legal action taken by the Government of India or any statutory authority in the last five years.

**D. Tax proceedings initiated against our Promoter**

Except as stated in sub-section titled "*Tax proceedings initiated against our Directors*" beginning on page 369, there are no tax proceedings initiated against our Promoter towards tax liabilities as on the date of filing the Draft Red Herring Prospectus.

**E. Pending action by statutory or regulatory authorities against our Promoter**

Except as stated in sub-section titled "*Outstanding Litigation and Material Developments –Litigation involving our Company – Pending action by statutory or regulatory authorities against our Company*", beginning on page 366 there are no outstanding action taken by statutory or regulatory authorities against our Promoter.

***Litigation involving Group Companies***

**A. Criminal litigation involving our Group Companies**

There are no outstanding criminal proceedings involving our Group Companies.

**B. Material Outstanding litigation involving our Group Companies**

There are no material outstanding litigation involving our Group Companies.

**C. Tax proceedings initiated against our Group Companies**

There are no outstanding tax proceedings initiated against our Group Companies.

**D. Pending action by regulatory or statutory authorities against our Group Companies**

There are no pending actions taken by regulatory or statutory authorities against our Group Companies.

# GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Offer and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Offer or continue our business activities, Unless otherwise stated, these approvals are all valid as of date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "*Regulations and Policies*" on page 158.

**A. Approvals relating to the Fresh Issue**

1. The Board, pursuant to its resolutions dated April 21, 2017, authorised the Fresh Issue subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary;

2. The shareholders of our Company have, pursuant to their resolutions dated April 27, 2017 under Section 62(1)(c) of the Companies Act, 2013, authorised the Fresh Issue;

3. In-principle approval from the BSE dated [●]; and

4. In-principle approval from the NSE dated [●].

**B. Approvals relating to Offer for Sale**

1. For authorisations and consents in relation to the Offer for Sale, see the section titled "*The Offer*" on page 73.

2. The Board and the IPO Committee have approved this Draft Red Herring Prospectus pursuant to resolutions dated April 29, 2017 and May 5, 2017, respectively.

**C. Approvals relating to our business and operations**

**I. General Approvals**

1. Initial certificate of incorporation dated July 13, 2001 issued by the Registrar of Companies in the name of "Matrimony Services.com Private Limited".

2. Fresh certificate of incorporation dated December 15, 2003 issued by the Registrar of Companies, consequent upon change of name of the Company to "Bharatmatrimony.com Private Limited".

3. Fresh certificate of incorporation dated September 27, 2007 issued by the Registrar of Companies, consequent upon change of name of the Company to "Consim Info Private Limited".

4. Fresh certificate of incorporation dated August 17, 2012 issued by the Registrar of Companies, consequent upon change of name of the Company to "Matrimony.com Private Limited".

5. Fresh certificate of incorporation dated January 2, 2015 issued by the Registrar of Companies, consequent upon conversion to a public company and change in name of the Company to "Matrimony.com Limited".

6. Corporate Identity Number: U63090TN2001PLC047432.

7. Permanent Account Number: AADCM0845M.

8. Tax Deduction Account Number: CHEB05118B.

9. Service tax code: AADCM0845MST001.

**III. Business Approvals**

The registrations and approvals required to be obtained by our Company in respect of our business in India are:

***A. Registrations under the relevant Shops and Establishment Acts***

Shops and Establishment Acts are state legislations that seek to govern and regulate the working conditions of workers/ employees employed in shops and commercial establishments within the relevant state. We obtain registration under such relevant state legislation governing shops and commercial establishments, as per the procedures laid down therein from time to time, for the operation of our various branches and retail centres, wherein potential or existing customers can walk in and seek the assistance of retail executives to register with our websites and/or make payment for the relevant matchmaking product or service. As on the date of this Draft Red Herring Prospectus, we have obtained registrations for retail centres in various Indian states, including Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Gujarat, Karnataka, Maharashtra and West Bengal. Additionally, we are in the process of applying for renewals for the following seven retail centres in five states:

| S no. | Location of retail centre | City | State |
|---|---|---|---|
| 1. | Kukkatpally | Hyderabad | Telengana |
| 2. | Y N Road | Indore | Madhya Pradesh |
| 3. | Hussainganj | Lucknow | Uttar Pradesh |
| 4. | Fleet Ring Road | Rajkot | Gujarat |
| 5. | Civil Lines | Allahabad | Uttar Pradesh |
| 6. | Theatre Road | Kolkata | West Bengal |
| 7. | West Marredpally | Secundarabad | Telengana |

***B. Intellectual Property related approvals***

Trademarks

Our Company has obtained and has applied for registrations in respect of the intellectual property created by our Company during the course of its business. As on the date of this Draft Red Herring Prospectus, we have obtained registrations over numerous trademarks, including for "BHARATMATRIMONY", "Bharatmatrimony.com", "Communitymatrimony", "Matrimony Day" and trademarks in relation to various regional, religious, caste and community based matrimonial websites.

Further, we have made applications for registration of 145 trademarks (in various classes), including the Bharat Matrimony logo, "Bharatmatrimony.com marriages are forever" "BHARATMATRIMONY.COM", "EliteMatrimony", "PrivilegeMatrimony", "Assisted Matrimony", "Matrimony Digest" and "till u marry".

Copyrights

Our Company has obtained a copyright registration on November 29, 2007 for the "Voice Matrimony" computer software work.

Domain name registrations

As on the date of this Draft Red Herring Prospectus, our Company has obtained registration 500 domains pertaining to the various online matrimonial services offered by us.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for this Offer**

- Our Board has, pursuant to its resolution dated April 21, 2017 authorised the Fresh Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

- The shareholders of our Company have authorised the Fresh Issue by a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the EGM held on April 27, 2017 and authorised the Board to take decisions in relation to this Offer.

- Bessemer India Capital Holdings II Ltd., Mayfield XII, Mauritius and CMDB II have obtained approvals for participation in the Offer for Sale pursuant to resolutions of their respective board of directors dated May 5, 2017, April 28, 2017 and May 4, 2017, respectively and have provided their consent to offer up to 1,461,006 Equity Shares, 155,760 Equity Shares and 1,683,207 Equity Shares, respectively. Murugavel Janakiraman and Indrani Janakiraman have provided consent to offer up to 384,447 Equity Shares and 82,834 Equity Shares, respectively, in the Offer for Sale pursuant to their consent letters each dated May 4, 2017.

- The Board has taken on record the Offer for Sale pursuant to its resolution dated April 21, 2017.

- The Board and the IPO Committee have approved this Draft Red Herring Prospectus pursuant to resolutions dated April 29, 2017 and May 5, 2017, respectively.

- In-principle approval from the BSE dated [●].

- In-principle approval from the NSE dated [●].

**Prohibition by RBI**

None of our Company, the Selling Shareholders, our Directors, our Promoter, relatives (as defined under the Companies Act, 2013) of our Promoter, our Promoter Group, and our Group Companies have been identified as a Wilful Defaulter.

**Prohibition by SEBI or governmental authorities**

We confirm that our Company, the Selling Shareholders, Promoter, Promoter Group, Directors or Group Companies or persons in control of our Company have not been prohibited from accessing or operating in the capital markets for any reason or restrained from buying or selling or dealing in securities under any order or direction passed by SEBI or any other authority. Further, SEBI has not initiated any action against the entities associated with the securities market and with which our Directors are associated. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Except as disclosed below with respect to Mr. Nikhil Nirvan Khattau, none of our Directors are associated with the securities market in any manner, including securities market related business:

| | |
|---|---|
| Name of the entity | Mayfield India II, Ltd. |
| SEBI Registration Number of the entity | IN/FVCI/15-16/0234 |
| If registration has elapsed, reasons for non-renewal | NA |
| Details of any inquiry/investigation conducted by SEBI at any time | NA |
| Penalty imposed by SEBI (Penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory orders) | NA |
| Outstanding fees payable to SEBI by the entity, if any | NA |

| | |
|---|---|
| Name of the entity | Mayfield XII, Mauritius |
| SEBI Registration Number of the entity | IN/FVCI/10-11/150 |
| If registration has elapsed, reasons for non-renewal | NA |
| Details of any inquiry/investigation conducted by SEBI at any time | NA |
| Penalty imposed by SEBI (Penalty includes deficiency/warning letter, adjudication | NA |

| | |
|---|---|
| proceedings, suspension/cancellation/prohibitory orders) | |
| Outstanding fees payable to SEBI by the entity, if any | NA |

**Eligibility for this Offer**

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers*."

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations.

In compliance with Regulation 26(2) of the SEBI Regulations, at least 75% of the Net Offer is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI Regulations.

In accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000; otherwise the entire application money will be refunded, in accordance with the SEBI Regulations. In case of delay, if any, in refund, our Company and Selling Shareholders shall pay interest on the application money at the rate of 15% per annum for the period of delay. Subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

This Offer is being made pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI Regulations for up to [●] Equity Shares aggregating up to ₹ [●] million. Our Company is eligible for the Offer in accordance with Regulation 26(2) of the SEBI Regulations. Further, this Offer is being made through the Book Building Process wherein at least 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis. Our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance of Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price, such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. For further details, see section titled "*Offer Procedure*" beginning on page 398.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

(a) Our Company, the Selling Shareholders, our Directors, our Promoter, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoter or persons in control are or were associated as directors or promoters or persons in control have not been prohibited or debarred from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) Our Company had applied to the BSE and the NSE for obtaining in-principle listing approval for listing of the Equity Shares and has received the in-principle approvals from the BSE and the NSE, pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, the [●] shall be the Designated Stock Exchange;

(c) Our Company along with the Registrar to the Offer has entered into agreements dated January 8, 2015 and November 25, 2014 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

(e) We propose to meet our expenditure towards the objects of the Offer entirely out of the proceeds of the Fresh Issue, and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C (1) of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed Offer and existing identifiable internal accruals) does not apply. For further details in this regard, see section titled "*Objects of the Offer*" beginning on page 112.

**Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED AND ICICI SECURITIES LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, AXIS CAPITAL LIMITED AND ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 5, 2017 WHICH READS AS FOLLOWS:**

**WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

**1. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID OFFER;**

**2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER,**

**PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;**

**WE CONFIRM THAT:**

**(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

**(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

**(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

**3. WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**

**4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.**

**5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.**

**6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>**

**7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE ISSUER AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    **(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**

    **(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. NOTED FOR COMPLIANCE**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.**

17. **WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARDS 18 AND THE COMPANIES ACT, 2013 AS CERTIFIED BY KUMAR BAGRI & ASSOCIATES BY WAY OF CERTIFICATE DATED MAY 5, 2017.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE). NOT APPLICABLE**

**The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholders from any liabilities under Section 34 and Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.**

**All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.**

**Price information of past issues handled by the Managers**

The price information of past issues handled by the BRLMs is as follows:

*Axis Capital Limited:*

1. Price information of past issues handled by Axis Capital Limited:

| Sr. No. | Issue Name | Issue size (₹million) | Issue price (₹) | Listing date | Opening price on listing date (₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1. | Avenue Supermarts Limited | 18,700 | 299 | March 21, 2017 | 600.00 | +145.08%, [-0.20%] | - | - |
| 2. | BSE Limited | 12,434.32 | 806 | February 3, 2017 | 1085.00 | +17.52%,[+2.55%] | +24.41%,[+6.53%] | - |
| 3. | Varun Beverages Limited | 11,250.00 | 445 | November 8, 2016 | 430.00 | -7.72%,[-5.17%] | -9.36%,[+3.01%] | - |
| 4. | Endurance Technologies Limited | 11,617.35 | 472 | October 19, 2016 | 572.00 | +16.06%,[-6.69%] | + 23.78%,[-2.84%] | +73.98%,[+5.55%] |
| 5. | RBL Bank Limited | 12,129.67 | 225 | August 31, 2016 | 274.20 | +27.07%,[-2.22%] | +56.98%,[-7.50%] | +107.91%,[+1.26%] |
| 6. | Dilip Buildcon Limited | 6,539.77 | 219 | August 11, 2016 | 240.00 | +5.11%,[+3.20%] | +1.53%,[-0.57%] | +22.12%,[+2.43%] |
| 7. | Advanced Enzyme Technologies Limited | 4,114.88 | 896[2] | August 1, 2016 | 1,210.00 | +56.24%,[+1.23%] | +145.97%,[-0.12%] | +101.14%,[0.05%] |
| 8. | Quess Corp Limited | 4,000.00 | 317 | July 12, 2016 | 500.00 | +73.60%,[+0.64%] | +94.59%,[+2.20%] | +110.36%,[-3.34%] |
| 9. | Ujjivan Financial Services Limited | 8,824.96[1] | 210 | May 10, 2016 | 231.90 | +72.38%,[+4.88%] | +115.38%,[+10.44 %] | +103.93%,[+7.72%] |
| 10. | Equitas Holdings Limited | 21,766.85 | 110 | April 21, 2016 | 145.10 | +34.64%,[-2.05%] | +57.91%,[+7.79%] | +63.77%,[+7.69%] |

*Source: www.nseindia.com*

*[1] Company has undertaken a Pre-IPO Placement aggregating to ₹2,918.39 million. The size of the fresh issue as disclosed in the draft red herring prospectus dated December 31, 2015, being ₹ 6,500 million, has been reduced accordingly.*

*[2] Price for eligible employees was ₹ 810.00 per equity share*

*Notes:*

a. *The CNX NIFTY is considered as the Benchmark Index.*
b. *Price on NSE is considered for all of the above calculations.*
c. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
d. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. Summary statement of price information of past issues handled by Axis Capital Limited:

| Fiscal Year | Total No. of IPOs | Total amount of funds raised (₹ million) | No. of IPOs trading at discount - 30th calendar days from listing | | | No. of IPOs trading at premium - 30th calendar days from listing | | | No. of IPOs trading at discount - 180th calendar days from listing | | | No. of IPOs trading at premium - 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2017-2018* | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2016-2017 | 10 | 1,11,377.80 | - | - | 1 | 4 | 2 | 3 | - | - | - | 6 | - | 1 |
| 2015-2016 | 8 | 60,375.66 | 0 | 0 | 3 | 0 | 4 | 1 | 0 | 0 | 3 | 1 | 2 | 2 |

** The information is as on the date of the document*

*The information for each of the financial years is based on issues listed during such financial year.*

*Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

## *ICICI Securities Limited*

### 1. Price information of past issues handled by ICICI Securities Limited:

| Sr. No. | Issue Name | Issue size (₹million) | Issue price (₹) | Listing date | Opening price on listing date (₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1. | VRL Logistics Limited | 4,678.78 | 205.00 | April 30, 2015 | 288.00 | +50.90%, [+3.08%] | +85.49%, [+1.90%] | +100.90%, [+0.97%] |
| 2. | PNC Infratech Limited | 4,884.41 | 378.00 | May 26, 2015 | 387.00 | +0.32%, [+0.26%] | +14.66%, [-6.36%] | +42.72%, [-5.88%] |
| 3. | Manpasand Beverages Limited | 4,000.00 | 320.00 | July 9, 2015 | 300.00 | +23.20%, [+2.83%] | +36.53%, [-2.11%] | +58.34%, [-6.45%] |
| 4. | Sadbhav Infrastructure Project Limited | 4,916.57 | 103.00 | September 16, 2015 | 111.00 | -2.28%, [+3.55%] | -5.63%, [-3.15%] | -14.56%,[-4.56%] |
| 5. | Teamlease Services Limited | 4,236.77 | 850.00 | February 12, 2016 | 860.00 | +15.34%, [+7.99%] | +5.38%, [+12.43%] | +35.35%, [+24.31%] |
| 6. | Quick Heal Technologies Limited | 4,512.53 | 321.00 | February, 18, 2016 | 305.00 | -31.56%, [+5.74%] | -20.05%, [+9.72%] | -24.21%, [+20.17%] |
| 7. | Equitas Holdings Limited | 21,766.85 | 110.00 | April 21, 2016 | 145.10 | +34.64%, [-2.05%] | +57.91%, [+7.79%] | +63.77%, [+7.69%] |
| 8. | Thyrocare Technologies Limited | 4,792.14 | 446.00 | May 9, 2016 | 665.00 | +36.85%, [+5.09%] | +22.57%, [+10.75%] | +39.09%, [+7.22%] |
| 9. | Ujjivan Financial Services Limited | 8,824.96 | 210.00 | May 10, 2016 | 231.90 | +72.38%, [+4.88%] | +115.38%, [+10.44%] | +103.93%, [+7.72%] |
| 10. | Quess Corp Limited | 4,000.00 | 317.00 | July 12, 2016 | 500.00 | +73.60%, [+0.64%] | +94.59%, [+2.20%] | +110.36%, [-3.34%] |
| 11. | Larsen & Toubro Infotech Limited | 12,363.75 | 710.00 (2) | 21-July 21, 2016 | 667.00 | -6.39%, [+1.84%] | -12.44%, [+1.97%] | -4.21%, [-1.14%] |
| 12. | Advanced Enzyme Technologies Limited | 4,114.88 | 896.00 (3) | August 1, 2016 | 1,210.00 | +56.24%, [+1.24%] | +148.91%, [-0.13%] | +101.14%, [+0.05%] |
| 13. | RBL Bank Limited | 12,129.67 | 225.00 | 31-August 31, 2016 | 274.20 | +27.07%, [-2.22%] | +56.98%, [-7.50%] | +107.91%, [+1.26%] |
| 14. | ICICI Prudential Life Insurance Company Limited | 60,567.91 | 334.00 | September 29, 2016 | 330.00 | -7.60%, [+0.54%] | -11.54%, [-6.50%] | +12.31%, [+5.28%] |
| 15. | HPL Electric & Power Limited | 3,610.00 | 202.00 | October 4, 2016 | 190.00 | -14.75%, [-2.91%] | -51.19%, [-6.72%] | -37.77%, [+5.34%] |
| 16. | Sheela Foam Limited | 5,100.00 | 730.00 | December 9, 2016 | 860.00 | +30.23%, [-0.31%] | +48.39%, [+8.02%] | - |
| 17. | Music Broadcast Limited | 4,885.29 | 333.00 | March 17, 2017 | 413.00 | +4.58%, [-0.23%] | - | - |
| 18. | Avenue Supermarts Limited | 18,700.00 | 299.00 | March 21, 2017 | 600.00 | +145.08%, [-0.20%] | - | - |

(1) *Discount of Rs. 17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹170.00 per equity share.*
(2) *Discount of Rs. 10 per equity share offered to retail investors. All calculations are based on Issue Price of ₹710.00 per equity share.*
(3) *Discount of Rs. 86 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹896.00 per equity share.*

**Notes:**

1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

### 2. Summary statement of price information of past issues handled by ICICI Securities Limited:

| Fiscal Year | Total No. of IPOs | Total amount of funds raised (₹ million) | No. of IPOs trading at discount - 30th calendar days from listing | | | No. of IPOs trading at premium - 30th calendar days from listing | | | No. of IPOs trading at discount - 180th calendar days from listing | | | No. of IPOs trading at premium - 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2017-2018 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Fiscal Year | Total No. of IPOs | Total amount of funds raised (₹ million) | No. of IPOs trading at discount - 30th calendar days from listing | | | No. of IPOs trading at premium - 30th calendar days from listing | | | No. of IPOs trading at discount - 180th calendar days from listing | | | No. of IPOs trading at premium - 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2016-2017 | 12 | 160,855.45 | - | - | 3 | 4 | 4 | 1 | - | 1 | 1 | 5 | 2 | - |
| 2015-2016 | 6 | 27,229.06 | - | 1 | 1 | 1 | - | 3 | - | - | 2 | 2 | 2 | - |

**Track record of past issues handled by the BRLMs**

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

| Sr. No | Name | Website |
|---|---|---|
| 1. | Axis Capital Limited | http://www.axiscapital.co.in |
| 3. | ICICI Securities Limited | http://www.icicisecurities.com |

**Disclaimer from our Company, the Selling Shareholder, our Directors, and the BRLMs**

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. It is clarified that each of the Selling Shareholders is providing information and undertakings in this Draft Red Herring Prospectus only about and in relation to itself and the Equity Shares offered by it under the Offer for Sale and is not responsible or liable for any other statement or information contained in this Draft Red Herring Prospectus including without limitation, any statement made by or in relation to the Company or its business. Anyone placing reliance on any other source of information, including our Company's website, www.matrimony.com, or the websites of any of our Subsidiaries, Promoter, Promoter Group, Group Companies or of any affiliate or associate of our Company and the Selling Shareholders, would be doing so at his or her own risk.

**Caution**

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into amongst the Underwriters, our Company and the Selling Shareholders.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information will be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Syndicate Bidding Centres or elsewhere.

Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate shall be liable to Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLMs and their respective affiliates may engage in transactions with, and perform services for, our Company, our Subsidiaries and our Group Companies or affiliates or the Selling Shareholders or their affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our Group Companies or affiliates or the Selling Shareholders or their respective affiliates, for which they have received, and may in the future receive, compensation.

**Disclaimer in Respect of Jurisdiction**

This Offer is being made in India to persons resident in India, including Indian national residents in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance and Regulatory Development Authority of India, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Chennai, India only.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders and their respective affiliates from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs") in transactions exempt from, or not subject to the registration requirements of the Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

**Disclaimer Clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

**Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

**Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Securities and Exchange Board of India, SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration to the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with Registrar of Companies at the office of the Registrar of Companies:

**The Registrar of Companies**
Block No.6, B Wing 2nd Floor
Shastri Bhawan 26, Haddows Road
Chennai – 600034
Telephone: +91 44 2827 0071
Facsimile: +91 44 2823 4298

**Listing**

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Initial listing applications will be made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company and the Selling Shareholders will forthwith repay, in accordance with applicable law, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest as prescribed under applicable laws.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days of the Bid Closing Date (or such other period as may be prescribed under applicable law). If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid Closing Date (or such other period as may be prescribed) or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period per annum or such interest as prescribed under applicable laws. The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges.

All expenses with respect to the Offer will be shared between the Selling Shareholders and our Company, in proportion to the Equity Shares contributed to the Offer. Further, each of the Selling Shareholders shall reimburse our Company for any expenses incurred by it, on behalf of such Selling Shareholder, in proportion to the Equity Shares offered for sale by each of the Selling Shareholders in the Offer, in so far as any delays pertain to the Equity Shares offered for sale by such Selling Shareholder. Subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

**Consents**

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Chief Financial Officer, the BRLMs, the lenders to our Company, the legal counsel, the Bankers to our Company and the Registrar to the Offer have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Bank, the Public Offer Account Bank and the Refund Bank, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the

Registrar of Companies as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to the filing of the Draft Red Herring Prospectus have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus with SEBI.

**Expert Opinion**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor to include its name as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements, each dated April 29, 2017 and the statement of tax benefits dated May 1, 2017 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

**Offer Expenses**

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer shall include, among others, underwriting and management fees, selling commissions, SCSBs' commissions/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

All Offer related expenses shall be shared by our Company and the Selling Shareholders in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively, in accordance with applicable law.

The estimated Offer expenses are as under:

(*In ₹million*)

| Activity | Estimated expenses* | As a % of the total estimated Offer expenses | As a % of the total Offer size |
|---|---|---|---|
| Fees payable to the BRLMs | [●] | [●] | [●] |
| Commission and processing fees for SCSBs [(1)] | [●] | [●] | [●] |
| Brokerage and selling commission for Registered Brokers, RTAs and CDPs [(2)] | [●] | [●] | [●] |
| Registrar to the Offer | [●] | [●] | [●] |
| Other advisors to the Offer | [●] | [●] | [●] |
| Bankers to the Offer | [●] | [●] | [●] |
| Others:<br>(v) Listing fees;<br>(vi) Printing and stationery expenses;<br>(vii) Advertising and marketing; and<br>(viii)Miscellaneous. | <br>[●]<br>[●]<br>[●]<br>[●]<br>[●] | <br>[●]<br>[●]<br>[●]<br>[●]<br>[●] | <br>[●]<br>[●]<br>[●]<br>[●]<br>[●] |
| **Total estimated Offer expenses** | [●] | [●] | [●] |

**Will be incorporated at the time of filing of the Prospectus.*

*(1) SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable service tax) per ASBA Form, for processing the ASBA Form procured by the Designated Intermediaries (other than the SCSBs themselves) and submitted to the SCSBs.*

*(2) Registered Brokers, RTAs and CDPs will be entitled to a commission of ₹ [●] (plus applicable service tax) per valid ASBA Form submitted to them and uploaded on the electronic bidding system of the Stock Exchanges.*

*Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of ₹ [●] (plus applicable service tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.*

**Fees, Brokerage and Selling Commission Payable to the BRLMs and the Syndicate Members**

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letters among our Company, the Selling Shareholders and the BRLMs.

**Fees Payable to the Registrar to the Offer**

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated May 5, 2017, entered into, among our Company, the Selling Shareholders and the Registrar to the Offer.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send such refund by registered post/speed post/ordinary post.

**Public or rights issues during the last five years**

Our Company has not made any previous public issue or any rights issue during the five years preceding the date of this Draft Red Herring Prospectus.

**Previous issues of securities otherwise than for cash**

Except as disclosed under the section titled "*Capital Structure – Notes to Capital Structure – Share Capital History- Securities issued for consideration other than cash*" beginning on page 90, our Company has not issued any securities for consideration other than cash.

**Previous capital issues in the last three years**

Except as disclosed in the section titled *"Capital Structure- Notes to the Capital Structure"* on page 86, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

None of our Subsidiaries or Group Companies is listed on any stock exchange.

**Performance vis-à-vis objects**

There has been no public issue or rights issue by our Company, Subsidiaries or Group Companies.

**Underwriting commission, brokerage and selling commission on previous issues**

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

**Outstanding debentures or bond issues or preference shares or other instruments**

Except the employee stock options granted under the ESOP Scheme, our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

**Partly paid-up shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

**Stock Market Data of the Equity Shares**

This being an initial public offering of our Company, the Equity Shares are not listed on any stock exchange.

**Other Disclosures**

Except as disclosed in the section titled "*Capital Structure*" beginning on page 85 of this Draft Red Herring Prospectus, none of our Directors, Promoter and/or the members of our Promoter Group have purchased or sold any securities of our Company or Subsidiaries, during the six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

**Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders dated May 5, 2017, provides for retention of records, including refund orders despatched to the Bidders, with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidder DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee, comprising of Nikhil Nirvan Khattau, Murugavel Janakiraman and Milind Shripad Sarwate as members. For further details, see section titled "*Our Management - Committees of the Board*" beginning on page 182.

There have been no investor grievances received by the Company for the three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has appointed S. Vijayanand as the Company Secretary and Compliance Officer and he may be contacted in case of any pre- Offer or post- Offer -related problems. He can be contacted at the following address:

**S.Vijayanand**
Company Secretary and Compliance Officer
TVH Beliciaa Towers, Tower II
10th Floor, No. 94, MRC Nagar
Mandaveli, Chennai - 600028
Telephone: +91 44 2463 1613
Facsimile: +91 44 2463 1777
E-mail: complaince@matrimony.com
Investor Grievance E-mail: investors@matrimony.com

**Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956**

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 and therefore there are no investor complaints pending against these entities.

**Change in auditors**

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

**Capitalisation of Reserves or Profits**

Except for bonus issuance of Equity Shares as disclosed in the section titled "*Capital Structure-Notes to the Capital Structure- Securities issued for consideration other than cash*" on page 90, our Company has not capitalised its reserves or profits at any time since its incorporation.

**Revaluation of Assets**

Our Company has not revalued its assets since its incorporation.

## SECTION VII – OFFER INFORMATION

## TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer are subject to the provisions of the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the SCRA, SCRR, the SEBI Regulations, our Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Allotment Advice, Anchor Investor Allocation Notice, SEBI Listing Regulations and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by any governmental, regulatory or statutory authority while granting its approval for the Offer.

**Ranking of Equity Shares**

The Equity Shares being issued and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013, Companies Act, 1956 (to the extent applicable), our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with the provisions of the Companies Act, 2013 and the Articles of Association. See the section titled "*Main Provisions of the Articles of Association*" on page 444 for a description of significant provisions of our Articles.

**Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to Shareholders of our Company as per the provisions of the Companies Act, 2013, Articles of Association, the provisions of the SEBI Listing Regulations and other applicable law. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferees. For further details in relation to dividends, see the sections titled *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 201 and 444, respectively.

**Face Value and Offer Price**

The face value of the Equity Shares is ₹ 5.00 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Offer Price is ₹ [●]. The Price Band, the Retail Discount and Employee Discount, as applicable, will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and minimum Bid lot will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●], an English national newspaper, [●], a Hindi national daily newspaper and [●] a Tamil newspaper, each with wide circulation (Tamil being the regional language of Tamil Nadu, the place where the Registered Office of our Company is situated), at least five Working Days prior to the Bid Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs on or after the Bid Closing Date, in accordance with the Book Building Process and applicable law.

At any given point of time there shall be only one denomination for the Equity Shares.

**Compliance with Regulations issued by SEBI**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'electronic-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 1956, to the extent applicable, the Companies Act, 2013, the terms of the SEBI Listing Regulations and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see section titled "*Main Provisions of the Articles of Association*" beginning on page 444.

**Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Further, as per applicable law, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

**Joint Holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

**Jurisdiction**

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Chennai, India only.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold in the United States only to U.S. QIBs in transactions exempt from, or not subject to the registration requirements of the Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A under the Securities Act.

**Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest in relation to such securities, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of securities who has made the nomination, by giving notice of such cancellation or variation in the prescribed form.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require change to their nomination, they are requested to inform their respective Depository Participant.

**Bidding Period**

For details of the Bidding Period, see "*Offer Structure- Bidding Programme* " on page 395.

**Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer equivalent to the minimum number of securities as required to comply with Rule 19(2)(b) of the SCRR), including devolvement of Underwriters as applicable, within sixty (60) days from the date of Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law. In the event, the post-Offer Equity Share capital of our Company is calculated at the Offer Price to be lower than ₹ 1,600 million, then the Offer will be made for at least 25.00% of the post-Offer Equity share capital in terms of Rule 19(2)(b)(i) of the SCRR. However in the event the post-Offer Equity share capital of our Company calculated at the Offer Price is more than ₹ 1,600 million but lower than ₹ 4,000 million, then the Offer will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum offer to public will be at least such percentage which will be equivalent to ₹ 4000 million calculated at the Offer Price.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the Equity Shares in the Offer for Sale.

The Selling Shareholders shall reimburse to our Company any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc., for the Equity Shares being offered in the Offer in proportion of the Equity Shares contributed by the Selling Shareholders to the Offer. Subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

If at least 75% of the Net Offer is not Allotted to the QIBs, the entire application money shall be refunded forthwith.

**Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

**Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Shares, Promoter's Contribution and Allotment made to Anchor Investors pursuant to the Offer, as detailed in the section titled "*Capital Structure*" beginning on page 85 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting. See section titled "*Main Provisions of the Articles of Association*" beginning on page 444.

**Withdrawal of the Offer**

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer any time after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of an IPO by our Company, a fresh draft red herring prospectus will be submitted to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

## OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares, for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million consisting of a Fresh Issue to the public of up to [●] Equity Shares aggregating up to ₹ 1,300 million and an Offer for Sale of up to 1,589,400 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders. The Offer comprises the Net Offer and the Employee Reservation Portion. The Employee Reservation comprises of up to [●] Equity Shares aggregating up to ₹ 5 million. The Offer and the Net Offer constitutes [●] % and [●] % of the post-Offer paid up Equity Share capital of the Company, respectively. Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, offer a discount of ₹ [●] on the Offer Price to Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion.

The Offer is being made through the Book Building Process.

| | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees |
|---|---|---|---|---|
| Number of Equity Shares available for Allotment/Allocation* | At least [●] Equity Shares. | Not more than [●] Equity Shares or Net Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation. | Not more than [●] Equity Shares or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation. | Up to [●] Equity Shares aggregating up to ₹ 5 million. |
| Percentage of Offer available for Allotment/Allocation | At least 75% of the Net Offer shall be Allotted to QIB Bidders.<br><br>However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. | Not more than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation. | Not more than 10% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation. | [●] Equity Shares, constituting approximately [●]% of the Offer |
| Basis of Allotment if respective category is oversubscribed | Proportionate as follows (excluding the Anchor Investor Portion):<br><br>(a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and<br>(b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds receiving | Proportionate. | In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the | Proportionate |

| | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees |
|---|---|---|---|---|
| | allocation as per (a) above.<br><br>Our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. | | minimum Bid Lot ("**Maximum RII Allottees**"). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:<br><br>• In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be Allotted the minimum Bid lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid lot).<br><br>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis. For further details, see "*Offer Procedure" on page* 398. | |
| Mode of Bidding | Through ASBA process only (except for Anchor Investors) | Through ASBA process only | Through ASBA process only | Through ASBA only |
| Minimum Bid | Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples | Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |

| | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees |
|---|---|---|---|---|
| | of [●] Equity Shares thereafter | of [●] Equity Shares thereafter | | |
| Maximum Bid | Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits. | Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits. | Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000. | Such number of Equity Shares (in multiples of [●] Equity Shares) for which the Bid Amount does not exceed ₹ 500,000.## |
| Mode of Allotment | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |
| Allotment Lot | A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share. | A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share subject to availability in the Non-Institutional Portion | A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share subject to availability in the Retail Portion | A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Employee Reservation Portion |
| Trading Lot | One Equity Share. | One Equity Share. | One Equity Share. | One Equity Share. |
| Who can Apply** | Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs), public financial institution as defined in section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority of India, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. | Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and Category III FPIs. | Resident Indian individuals, HUFs in the name of the Karta) and Eligible NRIs. | Eligible Employees. |
| Terms of Payment | The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form by for Anchor Investors.#<br><br>In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount in the ASBA Account | | | |

| | QIBs | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees |
|---|---|---|---|---|
| | of the ASBA Bidder mentioned in the Bid cum Application Form. | | | |

* *Subject to valid Bids being received at or above the Offer Price. The Offer is being made through the Book Building Process wherein at least 75% of the Net Offer shall be Allotted to QIB Bidders on a proportionate basis. Provided that, our Company and the Selling Shareholders in consultation with the BRLMs may, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price, such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.*

*Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Balance Equity Shares arising out of under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.*

** *In case a Bid cum Application Form is submitted in joint names, the investors should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

# *The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date.*

## *Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion (post the initial Allocation of up to ₹ 200,000 per Eligible Employee), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000 (which shall be less the Employee Discount, if applicable). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation to Eligible Employees with Bid Amounts over ₹ 200,000 upto a maximum of ₹ 500,000), shall be added to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription( if any) in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

**Bidding Programme***

| | |
|---|---|
| **FOR ALL BIDDERS** | **OFFER OPENS ON [●]** |
| **FOR QIBs**** | **OFFER CLOSES ON [●]** |
| **FOR RETAIL AND NON-INSTITUTIONAL BIDDERS** | **OFFER CLOSES ON [●]** |

**Our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations. Anchor Investors shall bid on the Anchor Investor Bidding Date.*
***Our Company and Selling Shareholders in consultation with the BRLMs may consider closing the Bidding Period for QIBs one Working Day prior to the Bid Closing Date in accordance with the SEBI Regulations*

An indicative timetable in respect of the Offer is set out below:

| Event | Indicative Date |
|---|---|
| Bid Closing Date | [●] |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | [●] |
| Initiation of refunds | [●] |
| Credit of the Equity Shares to depository accounts of Allottees | [●] |
| Commencement of trading of the Equity Shares on the Stock Exchanges | [●] |

**The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid Closing Date or such other period as may be prescribed, the timetable may change due to various factors, such as extension of the Bidding Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Offer) at all the Stock Exchanges within six Working Days from the Bid Closing Date, or such other period as may be prescribed.**

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period (except on the Bid Closing Date) at the Bidding Centres and the Designated SCSB Branches as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m.;

(ii) on the Bid Closing Date:

a. in case of Bids by Non-Institutional Bidders and Eligible Employees, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m.; and

b. in case of Bids by Retail Individual Bidders or Eligible Employees bidding under the Employee Reservation Portion], the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m., which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges.

**It is clarified that the Bids not uploaded on the online IPO system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 issued by BSE, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. The Company, the Selling Shareholders or any member of the Syndicate is not liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data from the SCSB within the timelines under applicable law.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. In such an event, the Cap Price shall be less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid Opening Date.

**In case of revision in the Price Band, the Bidding Period shall be extended for at least three additional Working Days after such revision, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Designated Intermediaries and the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.**

## OFFER PROCEDURE

*All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("**General Information Document**") included below under sub-section titled "– Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act (to the extent applicable), the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to reflect various enactments and regulations as well as amendments to existing regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.*

*Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in applicable law which may occur after the date of the Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

*Please note that all Bidders (other than Anchor Investors) applying in the Issue can participate in the Issue only through the ASBA process. Bidders should carefully read the provisions applicable before making their application through the ASBA process. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.*

## PART A

### Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(2) of the SEBI Regulations, wherein at least 75% of the Net Offer shall be Allotted to QIBs on a proportionate basis. Our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price, such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

Subject to valid Bids being received at or above the Offer Price, in the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Offer, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Balance Equity Shares arising out of under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Bid cum Application Form**

All Bidders (other than Anchor Investors) are required to mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Copies of the ASBA Forms and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered Office and Corporate Office. Electronic copies of the ASBA Forms will also be available for download on the websites of the Stock Exchanges, namely, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall ensure that their Bids are made on ASBA Forms bearing the stamp of a Designated Intermediary and submitted at the Bidding centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and ASBA Forms that do not contain such details are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance for an amount equivalent to the full Bid Amount to be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

| Category | Colour of Bid cum Application Form* |
|---|---|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including Eligible NRIs, FVCIs, FIIs, FPIs and registered multilateral and bilateral development financial institutions applying on a repatriation basis | Blue |
| Anchor Investors** | [●] |
| Eligible Employees applying under the Employee Reservation Portion | [●] |

* *Excluding electronic Bid cum Application Forms.*
** *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.*

Designated Intermediaries (other than SCSBs) shall submit/ deliver ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Escrow Collection Bank.

**Who can Bid?**

In addition to the category of Bidders set forth in the sub-section titled "*Offer Procedure – Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 414, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion.
- Scientific research organizations in India, which are authorized to invest in equity shares;
- Any other persons eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable laws to them; and
- Eligible Employees.

**Participation by associates and affiliates of the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Other than mutual funds sponsored by entities related to the BRLMs, the BRLMs and the Syndicate Members, the Promoter, the Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

**Bids by Mutual Funds**

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

**Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Eligible NRIs Bidding on a repatriation basis should authorise their SCSB to block their NRE Account or FCNR Accounts for the full Bid Amount, while Eligible NRIs Bidding on a non-repatriation basis should authorise their SCSB to block their NRO Accounts for the full Bid Amount.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form for non-residents, while Eligible NRIs Bidding on a non-repatriation basis are advised to use the Bid cum Application Form for residents.

**Bids by FIIs and FPIs**

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**") pursuant to which the existing classes of portfolio investors namely FIIs and QFIs were subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a QFI who had not obtained a certificate of registration as a FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

In terms of the SEBI FPI Regulations, the issue of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of the total issued capital of our Company. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total post-Offer paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the post-Offer paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("**ODIs**"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in ODIs (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such ODIs are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such ODIs are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any ODI is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22 (1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

**Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the "**SEBI VCF Regulations**") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after notification of the SEBI AIF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

**Bids by Eligible Employees**

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- The sole/ First Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Bid cum Application Form ([●] in colour) or Revision Form.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under the Employee Reservation Portion.
- Eligible Employees Bidding in the Employee Reservation Portion may Bid in any of the bidding options at Cut-Off Price.
- The maximum Bid amount by any Eligible Employee cannot exceed ₹ 200,000.
- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Bid by an Eligible Employee can be made also in the Net Offer portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Balance Equity Shares arising out of under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR.
- Eligible Employees should provide the details of the depository accounts including DP ID, Client ID and PAN as well as employee number in the relevant space in the Bid-cum-Application Form.
- In order to be eligible to get allotment under the Employee Reservation Portion, Eligible Employees should ensure that their bids do not exceed ₹ 200,000. Please refer to "Offer Procedure - Grounds for Technical Rejections" on page 424 for information on rejection of Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure - Basis of Allotment*" on page 433.

**Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

**Bids by insurance companies**

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority of India, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority of India must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 5 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**") are set forth below:

a equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;

b the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

c the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) or (c) above, as the case may be.

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the Insurance Regulatory and Development Authority of India from time to time.

**Bids by provident funds/ pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

**Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

**Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company and the Selling Shareholders in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that our Company, the Selling Shareholders and the BRLMs deem fit, without assigning any reasons therefore.

In accordance with existing regulations, OCBs cannot participate in the Offer.

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Tamil newspaper, each with wide circulation (Tamil being the regional language of Tamil Nadu, the place where the Registered Office of our Company is situated). In the pre- Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

**Information for Bidders**

In addition to the instructions provided to Bidders set forth in the sub-section titled "– *Part B – General Information Document for Investing in Public Issues*" on page 412, Bidders are requested to note the following additional information in relation to the Offer.

1. Our Company shall dispatch the Red Herring Prospectus and other Offer material including Bid cum Application Forms, to the Stock Exchanges and the Designated Intermediaries.

2. The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the minimum Bid Lot for the Offer will be decided by our Company in consultation the Selling Shareholders and the BRLMs and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Tamil newspaper, each with wide circulation (Tamil being the regional language of Tamil Nadu, the place where the Registered Office of our Company is situated) at least five Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges websites and Registered Broker terminals.

3. After accepting the ASBA Forms, the Designated Intermediaries shall provide an Acknowledgement Slip to the Bidder and capture and upload the relevant details in the electronic bidding system as specified by the Stock Exchanges. Thereafter, the SCSBs shall begin blocking funds available in the ASBA Account, to the extent of the Bid Amount specified in the ASBA Form submitted to them by the ASBA Bidders. On receipt of ASBA Forms, the Syndicate Members, Registered Brokers, CDPs and RTAs shall forward a schedule in the format provided in the SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 to the Designated SCSB Branches for blocking of funds.

4. Our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price within the Price Band, without the prior approval of or intimation to the Bidders.

5. In relation to electronic registration of bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholders, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the

contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

6. In case of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to the relevant Designated Intermediary to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

7. In case of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount blocked at the time of Bidding would be unblocked from the ASBA Account of such Bidder.

8. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, by Anchor Investors, the BRLMs shall collect the payment to be paid on account of the upward revision of the Bid at the time of one or more revisions.

9. Allocation to Non-Residents, including Eligible NRIs FIIs and FPIs will be subject to applicable law, rules, regulations, guidelines and approvals.

10. The Allotment and trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the Stock Exchanges.

In addition to the information provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Interest and Refunds - Mode of making refunds to (i) Anchor Investors, and (ii) refunds to all Bidders in the event of non-receipt of listing permission from Stock Exchanges*" on page 438, Bidders are requested to note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Fresh Issue shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

**Signing of the Underwriting Agreement and the RoC Filing**

The Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or after the finalisation of the Offer Price. On or after signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

**GENERAL INSTRUCTIONS**

In addition to the general instructions provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues*" on page 412, Bidders are requested to note the additional instructions provided below.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time.

6. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

8. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

9. Ensure that you request for and receive a stamped Acknowledgement Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the Bid cum Application Form;

10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process for any other purpose;

12. Submit revised Bids to the same Designated Intermediary, as applicable, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

16. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

17. Ensure that the category and sub-category is indicated;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the stock exchanges by the relevant Designated Intermediary, match with the DP ID, Client ID and PAN available in the Depository database;

21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

22. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).

23. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

24. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediaries;

4. Do not pay the Bid Amount in cheques or demand drafts or cash, by money order or by postal order or by stockinvest;

5. Do not send Bid cum Application Forms by post; Instead submit the same with a Designated Intermediary;

6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Offer;

7. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Designated Intermediary;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

10. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and ₹ 500,000 for Bids by Eligible Employees under the Employee Reservation Portion;

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

12. Do not submit the GIR Number instead of the PAN;

13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;

14. Do not instruct your respective banks to release the funds blocked in the ASBA Account for any other purpose;

15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

16. Do not submit the Bids without the full Bid Amount in case of Anchor Investors;

17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

19. If you are a QIB, do not submit your Bid after 3.00 p.m. on the Bid Closing Date;

20. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid Closing Date;

21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, other than minors having valid depository accounts as per the Demographic Details provided by the Depositories;

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

23. Do not submit more than five Bid cum Application Forms per ASBA Account;

24. Do not submit ASBA Bids to a Designated Intermediary at a location other than the Bidding Centres;

25. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in); and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form/ Application Form*" on page 415. Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

2. Bids through ASBA must be made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the Bid cum Application Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs or FPIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

**Escrow mechanism for Anchor Investors**

Anchor Investors are requested to note the following.

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of resident Anchor Investors: "[●]"; and
   - In case of Non-Resident Anchor Investors: "[●]".

**Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Bank, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Anchor Investors.**

**Designated Date and Allotment**

(a) Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within six Working Days of the Bid Closing Date or such other period as may be prescribed.

(b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

**Grounds for Technical Rejections**

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 431, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid/Applications from ASBA Bidders which are accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB;

2. Bid submitted by Anchor Investors without payment of the entire Bid Amount;

3. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the bank account details in the Bid cum Application Form;

4. Bids submitted on a plain paper;

5. Bids by HUFs not mentioned correctly as given in the sub-section titled "*Offer Procedure – Part A – Who can Bid?*" on page 399;

6. Bid cum Application Form submitted to a Designated Intermediary that does not bear the stamp of the Designated Intermediary;

7. Signature of First/sole Bidder missing;

8. With respect to ASBA Bids, the Bid cum Application Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

10. GIR number furnished instead of PAN;

11. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion (if any) with Bid Amount for a value of more than ` 200,000 or ` 500,000, respectively;

12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

13. Bids accompanied by stockinvest/money order/postal order/cash;

14. Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act;

15. Bids by U.S. Persons, as defined under Regulation S of the U.S. Securities Act, outside the United States;

16. Bids uploaded by QIBs after 4.00 pm on the QIB Bid Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid Closing Date, unless extended by the Stock Exchanges.

17. Bids by persons who are not Eligible Employees and have submitted their Bids under the Employee Reservation Portion; and

18. Bids by Eligible Employees who do not mention their employee number in the Bid-cum-Application Form.

**Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated January 8, 2015 among NSDL, our Company and the Registrar to the Offer.
- Agreement dated November 25, 2014 among CDSL, our Company and Registrar to the Offer.

**UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- That if our Company does not proceed with the Offer after the Bid Closing Date, the reason thereof shall be given as a public notice within two days of the Bid Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That if the Selling Shareholders withdraw the Offer for Sale after the Bid Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company or any Selling Shareholder subsequently decides to proceed with the Offer;
- That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid Closing Date or any other period that may be prescribed by SEBI;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further Offer of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;

- That adequate arrangement shall be made to collect all Bid cum Application Forms ; and
- Our Company shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

**UNDERTAKINGS BY THE SELLING SHAREHOLDERS**

Each of the Selling Shareholders severally and not jointly undertakes the following:

- It is the legal and beneficial owners of the Equity Shares proposed to be transferred pursuant to the Offer for Sale;
- the Equity Shares proposed to be transferred by it in the Offer (a) have been held by it for a minimum period as specified in Regulation 26(6) of the SEBI Regulations; (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialized form at the time of transfer;
- that it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- it shall be liable to refund the application monies as required under applicable laws and statutory time limits, and in the event of failure to do so, shall pay interest to the non-ASBA Bidders as provided under the Companies Act, 2013 or any other applicable laws and regulations, provided such refund and interest shall be shared by our Company and the Selling Shareholders in proportion to the number of Equity Shares sold in the Fresh Issue and Offer for Sale, respectively. Provided that, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder;
- it shall provide all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice and Anchor Investor allocation note, if required, and refund orders to the extent of the Equity Shares offered by them pursuant to the Offer;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by them and being offered pursuant to the Offer;
- it has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Equity Shares offered by it in the Offer for Sale; and
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Offer for Sale are available for transfer in the Offer for Sale.

The decisions with respect to the Price Band will be taken by our Company and the Selling Shareholders in consultation with the BRLMs and the minimum Bid lot, revision of Price Band and Offer Price will be taken by our Company and the Selling Shareholders in consultation with the BRLMs.

**Utilisation of Offer proceeds**

The Company and the Selling Shareholders declares that all monies received out of this Offer shall be transferred to a separate bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The Board of Directors declares that:

(i) details of all monies utilized out of the Fresh Issue referred to above shall be disclosed and continue to be disclosed until the time any part of the Offer Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

(ii) details of all unutilized monies out of the Fresh Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchange, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

#### 1.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

#### 1.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

#### 1.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### 1.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process **("Book Built Issue")** or undertake a Fixed Price Issue **("Fixed Price Issue").** An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### 1.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

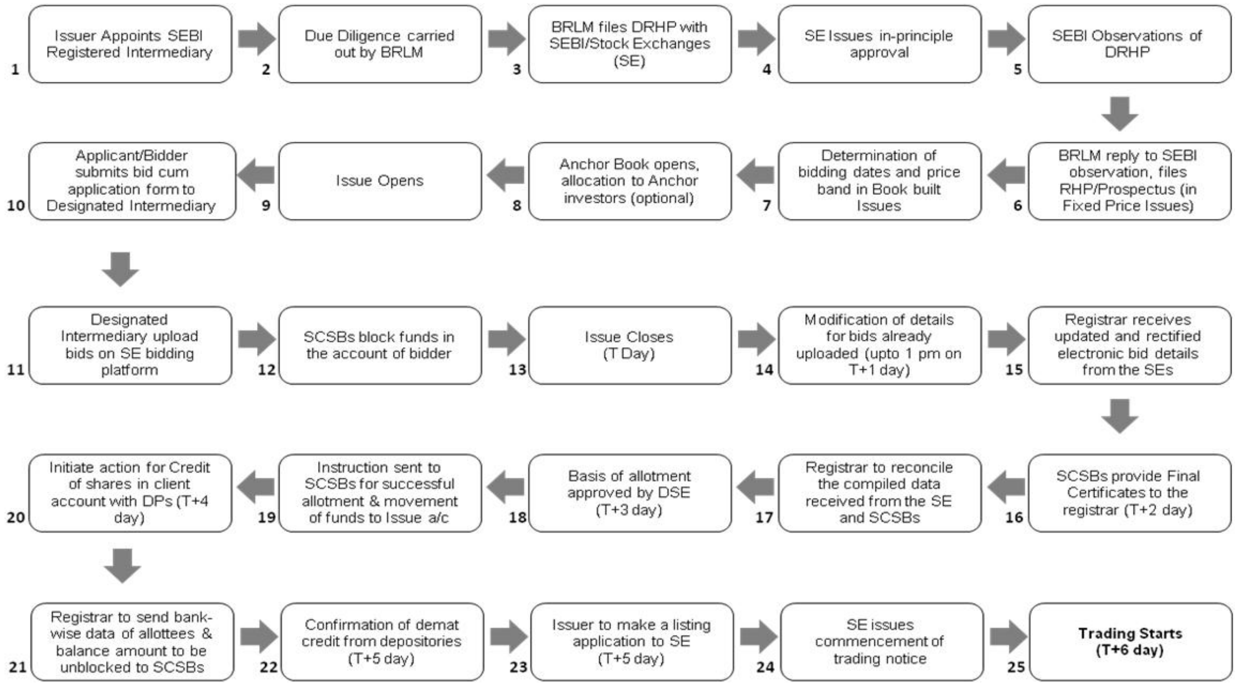
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

### 1.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  (i) Step 7 : Determination of Issue Date and Price
  (ii) Step 10: Applicant submits ASBA Form with Designated Intermediary.
  (iii) Step 11: Designated Intermediary uploads ASBA Application details in the electronic bidding system of the Stock Exchange Platform
  (iv) Step 12: Issue period closes
  (v) Step 15: Not Applicable




## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

***Each Bidder/Applicant should check whether it is eligible to apply under applicable law.***

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta.* The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta"*. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;

- Scientific research organisations authorised in India to invest in the Equity Shares;

- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;

- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;

- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and

- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

- As per the existing regulations, OCBs are not allowed to participate in an Issue.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

**Fixed Price Issue:** Applicants should only use the specified cum Bid cum Application Form, bearing the stamp of the Designated Intermediary or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with Designated SCSB Branches and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| Category | Colour of the Bid cum Application Form |
|---|---|
| Resident Indian, Eligible NRIs applying on a non repatriation basis | White |
| NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB) FPIs on a repatriation basis | Blue |
| Anchor Investors | As specified by the Issuer |

Securities issued in an IPO of Issue size equal to rupees ten crores or more can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

### 4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and sample is provided below.

The samples of the Bid cum Application Form for resident Bidders is reproduced below:

TEAR HERE

**COMMON BID CUM APPLICATION FORM** | **XYZ LIMITED - INITIAL PUBLIC ISSUE - R** Address : ........................ Contact Details: ........................ CIN No ............. | **FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ........................

Bid cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE |
|---|---|
| | |
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE |
| | |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. |
| | |

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF ")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 \| 7 \| 6 \| 5 \| 4 \| 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

**6. INVESTOR STATUS**

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - M F
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through *Karta* (*Application by HUF would be treated on par with Individual*)

**7. PAYMENT DETAILS** PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

| 8A. SIGNATURE OF SOLE/ FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue | |
| | 1) | |
| | 2) | |
| Date : | 3) | |

TEAR HERE

LOGO

**XYZ LIMITED**
**INITIAL PUBLIC ISSUE - R**

**Acknowledgement Slip for Broker/SCSB/ DP/RTA**

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

| Amount paid (₹ in figures) | Bank & Branch | Stamp & Signature of SCSB Branch |
|---|---|---|
| ASBA Bank A/c No. | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Paid (₹) | | | |

ASBA Bank A/c No.
Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

**Acknowledgement Slip for Bidder**

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

***"Any person who –***

***(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or***
***(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under section 447."***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper where the Registered Office of our Company is situated, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids till closure of the bidding period. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

(i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(ii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

(iv) Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Upto 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Application Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, QFIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked on the basis of the authorization in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked accordingly for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit Bids with the BRLMs only;

(b) Payment should be made by Anchor Investors either by direct credit, NEFT or RTGS;

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) ASBA Bidders may submit the Bid cum Application Form either

(i) in physical mode to any Designated Intermediary, or

(ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the ASBA Form.

(b) ASBA Bidders shall specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, shall not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) **ASBA Bidders bidding through a Designated Intermediary, other than a SCSB,** should ensure that the Bid cum Application Form is submitted to a Designated Intermediary only at the Bidding Centres. ASBA Bidders should also note that Bid cum Application Forms submitted to such Designated Intermediary at the Bidding Centres may not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(g) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated SCSB Branch where the ASBA Account is maintained.

(h) Upon receipt of the Bid cum Application Form, the Designated SCSB Branch may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(i) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(j) If sufficient funds are not available in the ASBA Account, the Designated SCSB Branch may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(k) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated SCSB Branch to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(l) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(m) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date, or any other period as may be prescribed.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the relevant Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Issue should be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/ Applicant, Bid cum Application Form number, Bidders'/ Applicants' DP ID, Client ID and PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

**4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

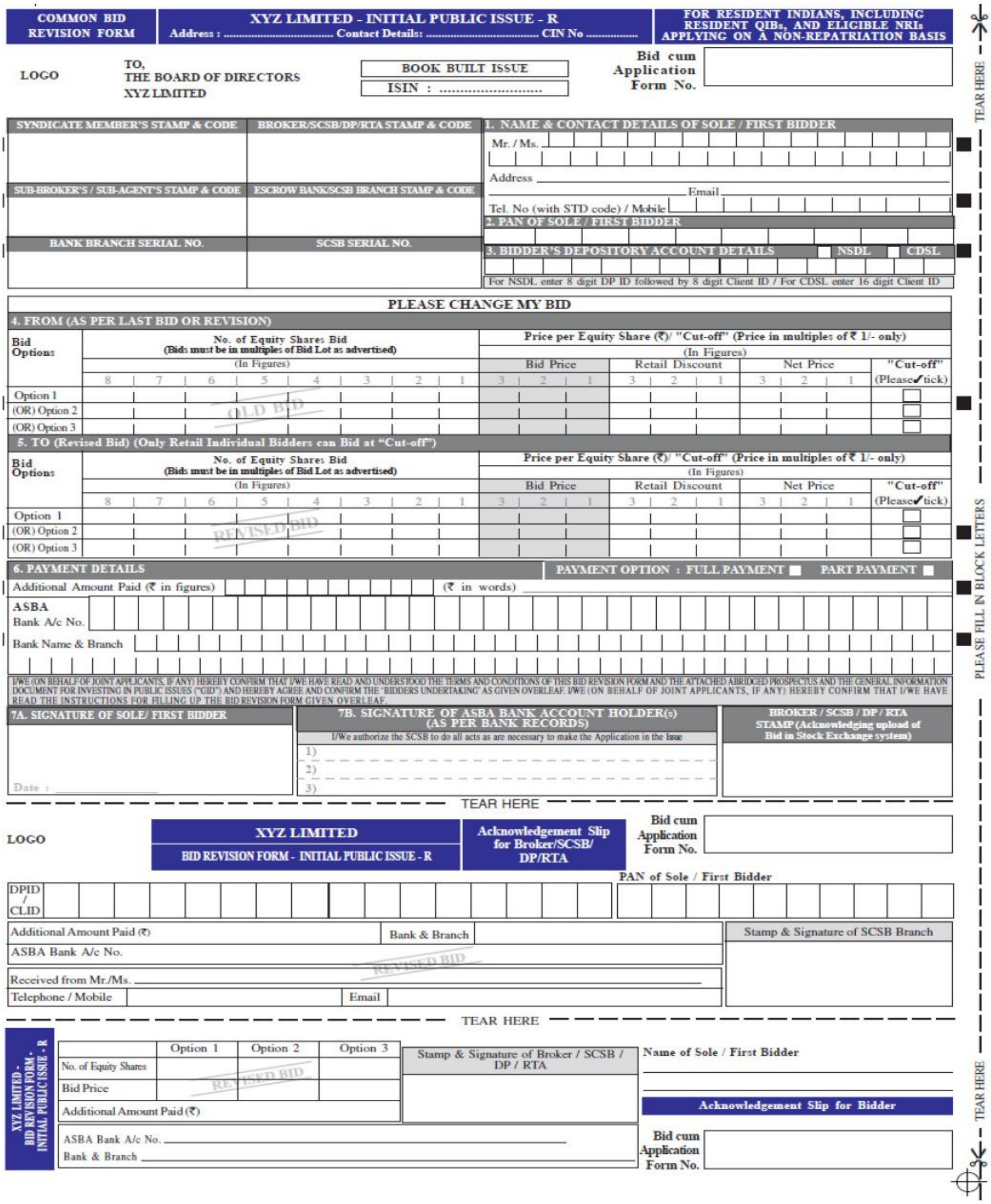
(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids or withdraw their Bids till closure of the bidding period.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:



COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : ........................ Contact Details: ........................ CIN No ................

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ........................

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | |
| Option 1 | | | | | |
| (OR) Option 2 | OLD BID | | | | |
| (OR) Option 3 | | | | | |

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | |
| Option 1 | | | | | |
| (OR) Option 2 | REVISED BID | | | | |
| (OR) Option 3 | | | | | |

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | REVISED BID | |
| Additional Amount Paid (₹) | | | |

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST**

**BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders after the allotment is finalized.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorize the blocking of ASBA Account to the extent of the full Bid Amount (less Discount (if applicable). In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may be revised by issuing instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.

(d) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(e) In case of a downward revision in the Price Band, Retail Individual Bidders and Eligible Employees, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked after finalization of allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

**4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs to the Issue may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or another Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

(i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

(ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

(i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

(ii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iii) Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Application Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants, other than Anchor Investors, are required to make use of ASBA for applying in the Issue.

(b) RIIs and/or Reserved Categories in their respective portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(c) Application Amount cannot be paid in cash, through money order or through postal order or through cheque, demand draft or stock invest.

4.3.5.1 **Payment Instructions for Applicants:**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.4.

**4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

**4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

| Mode of Application | Submission of Bid cum Application Form |
|---|---|
| Anchor Investor Application Form | To the BRLMs at the locations mentioned in the Anchor Investor Application Form |
| ASBA Form | To the Designated Intermediaries at the Bidding Centres |

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum Application Form will be considered as the application form.

**SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

**5.1 SUBMISSION OF BIDS**

(a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLMs to the Issue, to register their Bid.

(b) In case of Bidders/ Applicants (other than NIIs and QIBs) Bidding at Cut-off Price, the Bidders/ Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

**5.2 ELECTRONIC REGISTRATION OF BIDS**

(a) Designated Intermediaries may register the Bids using the on-line facilities of the Stock Exchanges. Such Intermediaries can also set up facilities for off-line electronic registration of

Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the RHP.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for further processing.

### 5.3 BUILD UP OF THE BOOK

(a) Bids received from Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

### 5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date upon or after finalization of basis of allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### 5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

  (i) the Bids accepted by the Designated Intermediaries,

  (ii) the Bids uploaded by the Designated Intermediaries,

  (iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs; and

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

(l) Bids/Applications at Cut-off Price by NIIs and QIBs;

(m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(o) Submission of more than five Bid cum Application Forms/Application Forms as per ASBA Account;

(p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(r) Bids not uploaded on the bidding system of Stock Exchanges;

(s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form at the time of blocking such Bid/Application Amount in the ASBA Account;

(t) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;

(u) In case of Anchor Investors, Bids where sufficient funds are not available in the Escrow Accounts as per final certificate from the Escrow Collection Bank;

(v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(w) Bids/Applications submitted to the Designated Intermediaries at locations other than the Bidding Centres or to the Registrar to the Issue;

(x) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP. In case of under subscription in the New Issue, spill over to the extant of such under subscription may be permitted from the Reserved Portion to the New Issue.

(d) **Illustration of the Book Building and Price Discovery Process**

*Bidders* should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |

| | | | |
|---|---|---|---|
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediary or in the electronic form to the SCSB or the Designated SCSB Branches authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

## 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:

   (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

   (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

   (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

   - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
   - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per such Anchor Investor; and
   - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of upto ₹ 2,500, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum allotment of ₹ 50 million per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS) NIIs, AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

### 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date, or any other period as may be prescribed.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit of Equity Shares to the beneficiary account with Depositories within six Working Days of the Bid/Issue Closing Date.

## 8.2 GROUNDS FOR REFUND

### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus. If such money is not refunded within the prescribed time after the Issuer becomes liable to refund it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as prescribed, and as disclosed in the RHP/Prospectus.

### 8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received and repay, without Interest, Bid Amounts received from Anchor Investors within such period as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and other applicable laws. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount, then every director of the Issuer who is an officer in default may, on and from such expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

(a) **In case of ASBA Bids/Applications:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account for unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

(b) **In case of Non-ASBA Bid/Applications:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Anchor Investors' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds, on account of our Bank not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

(d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

**8.3.1 Mode of making refunds to (i) Anchor Investors, and (ii) refunds to all Bidders in the event of non-receipt of listing permission from Stock Exchanges**

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH —** National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT—** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code **("IFSC"),** which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit—** Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS—** Anchor Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank. For details of levy of charges, if any, Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% p.a. if Allotment is not been and refund instructions have not been given to the clearing system in the disclosed manner or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

| Term | Description |
|---|---|
| Allotment/ Allot/ Allotted | The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants |
| Allottee | An Bidder/Applicant to whom the Equity Shares are Allotted |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009. |
| Anchor Investor Portion | Up to 60% of the QIB Category which may be allocated by the Issuer, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |
| Application Form | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue |
| Application Supported by Blocked Amount/ (ASBA)/ASBA | An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB. |
| ASBA Account | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant |
| ASBA Bid | A Bid made by an ASBA Bidder |
| ASBA Bidder/Applicant | Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA |
| Banker(s) to the Issue | The banks which are clearing members and registered with SEBI as Banker to the Issue, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer |
| Basis of Allotment | The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue |
| Bid | An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |
| Bidding Centers | Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e, Designated Branches for SCSBs, Syndicate Bidding Centres for members of the Syndicate, Registered Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Bid /Issue Closing Date | The date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date |
| Bid/Issue Opening Date | The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date |
| Bid/Issue Period | Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue |

| Term | Description |
|---|---|
| | Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount |
| Bid cum Application Form | The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form |
| Bidder/Applicant | Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant |
| Book Built Process/ Book Building Process/ Book Building Method | The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made |
| Broker Centres | Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges. |
| BRLM/ Book Running Lead Manager/Lead Manager/ LM | The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM |
| Business Day | Monday to Friday (except public holidays) |
| CAN/Confirmation of Allotment Note | The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange |
| Cap Price | The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Category III FPI | FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. |
| “Collecting Depository Participant” or “CDP” | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Cut-off Price | Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Demographic Details | Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details |
| Designated Branches | Such branches of the SCSBs with which an ASBA Bidder, not Bidding through Syndicate/Sub Syndicate or through a Registered Broker or a CDP or an RTA, may submit the Bid cum Application Forms, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, updated from time to time, and at such other websites as may be prescribed by SEBI from time to time. |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants.<br><br>The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the |

| Term | Description |
|---|---|
| | Stock Exchanges (www.bseindia.com and www.nseindia.com). |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.<br><br>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com). |
| Designated Date | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale |
| Designated Stock Exchange | The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer |
| Discount | Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009. |
| Draft Prospectus | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band |
| Employees | Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus |
| Equity Shares | Equity shares of the Issuer |
| Escrow Account | Account opened with the Escrow Collection Bank for the purposes of deposit of Bid Amounts by Anchor Investors |
| Escrow Agreement | Agreement entered into among the Issuer, the Registrar to the Offer, the Escrow Collection Bank, the Refund Bank(s), the Public Offer Account Bank, the BRLMs for the deposit of Bid Amounts from Anchor Investors and for remitting refunds, if any, to the Bidders on the terms and conditions thereof. |
| Escrow Collection Bank | The bank which shall accept deposit of Bid Amounts remitted by Anchor Investors |
| FCNR Account | Foreign Currency Non-Resident Account |
| First Bidder/Applicant | The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form |
| FII(s) | Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made |
| Floor Price | The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto |
| FPIs | Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 |
| IPO | Initial public offering |
| Issue | Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable |
| Issuer/ Company | The Issuer proposing the initial public offering/further public offering as applicable |
| Issue Price | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Managers |
| Maximum RII Allottees | The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot. |
| MICR | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form |
| NACH | National Automated Clearing House |
| NEFT | National Electronic Fund Transfer |
| NRE Account | Non-Resident External Account |
| NRI | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an |

| Term | Description |
|---|---|
| | invitation to subscribe to or purchase the Equity Shares |
| NRO Account | Non-Resident Ordinary Account |
| Net Issue | The Issue less the Reservation Portion |
| Non-Institutional Investors or NIIs | All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and Category III foreign portfolio investors, that are not QIBs or RIIs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Category | The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs, FIIs registered with SEBI and FVCIs registered with SEBI, FPIs and QFIs |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer for Sale | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder |
| Other Investors | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date | The date on which the Issuer in consultation with the Book Running Lead Manager, finalise the Issue Price |
| Prospectus | The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information |
| Public Issue Account | An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date |
| Qualified Foreign Investors or QFIs | Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.<br>Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies |
| QIB Category | The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis |
| Qualified Institutional Buyers or QIBs | As defined under SEBI ICDR Regulations, 2009 |
| RTGS | Real Time Gross Settlement |
| Red Herring Prospectus/ RHP | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus |
| Refund Account(s) | The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made |
| Refund Bank(s) | Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the |

| Term | Description |
|---|---|
| | Issuer |
| Refunds through electronic transfer of funds | Refunds through NACH, Direct Credit, NEFT, RTGS or ASBA, as applicable |
| Registered Broker | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate |
| Registrar to the Issue/RTI | The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form |
| Reserved Category | Categories of persons eligible for making application/bidding under reservation portion |
| Reservation Portion | The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI Regulations. |
| Retail Individual Investors / RIIs | Investors who applies or bids for a value of not more than ₹ 200,000. |
| Retail Individual Shareholders | Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000. |
| Retail Category | The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis. |
| Revision Form | The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations, 2009 | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| Self Certified Syndicate Bank(s) or SCSB(s) | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html |
| Specified Locations | Refer to definition of Broker Centres |
| Stock Exchanges/ SE | The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed |
| Syndicate | The Book Running Lead Manager and the Syndicate Member(s) |
| Syndicate Agreement | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants) |
| Syndicate Member(s)/SM | The Syndicate Member(s) as disclosed in the RHP/Prospectus |
| Underwriters | The Book Running Lead Manager and the Syndicate Member(s) |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in India are open for business, provided however with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, on which the commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

## SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI Regulations, the main provisions of our Articles relating to, *inter alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

| Article | Sub-article | Particulars |
|---|---|---|
| | | ***Share capital and variation of rights*** |
| 4 | | The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum with power to increase or reduce the capital and divide the shares in capital of the Company for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these present and modify or abrogate any such rights, privileges or conditions in such manner as may be permitted for the time being by the Act. |
| 5. | | The Company shall have the power to amend and alter the share capital of the Company in accordance with the provisions of the Act (including any increase or decrease thereof). |
| 6. | | The paid up capital of the Company shall be minimum of Rs. 5,00,000/- (Rupees Five Lac only). |
| 7. | | The Company shall have power to issue preference shares carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or out of security premium account of the Company or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it thinks fit and also classify and determine the terms and conditions of such preference shares, including without limitation the coupon rate, premium on issue and redemption, conversion terms, accumulation of dividend. |
| 8. | | If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares, may by resolution of the Board be applied only in paying up in full or in part any new securities then remaining unissued to be issued to such Members of the Company as the Board may resolve up to an amount equal to the nominal amount of the securities so issued. |
| 9. | | The Company shall have the power to issue optionally convertible/convertible/ non-convertible debentures subject to the provisions of the Act and other applicable law. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act. |
| 10. | | Subject to the provisions of the Act, the Company may issue sweat equity shares of a class of shares already issued. Subject to the provisions of the Act, the Company may, if so deemed fit, issue such sweat equity shares at a discount. |
| 11. | | Subject to the provisions of the Act, the Company in a general meeting, may by ordinary resolution from time to time: |
| | a. | increase its authorised share capital by such amount as it thinks expedient; |
| | b. | consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares, provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved in the manner specified in the Act; |
| | c. | convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; |
| | d. | sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and |
| | e. | cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. |
| 12. | | Subject to the provisions of the Act: |
| | a. | Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, whether out of unissued share capital or out of the increased share capital, such |

| Article | Sub-article | Particulars |
|---|---|---|
| | | shares shall be offered: |
| | i. | to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:— |
| | A. | the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; |
| | B. | the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Article 12(a)(i)(A) shall contain a statement of this right; |
| | C. | after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company; |
| | ii. | to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act; or |
| | iii. | to any persons whether or not those persons include the persons referred to in Article 12(a)(i) or (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act. |
| | b. | Nothing in Article 12(a) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting. |
| 13. | | Subject to the provisions of the Act or any other applicable law for the time being in force, the Company may issue bonus shares to its Members (including by way of capitalisation of profits, reserves, etc. for the purpose of issuing fully-paid up shares) in any manner as the Board may deem fit. |
| 15. | | Subject to the provisions of the Act as applicable to the Company and subject to the provisions of these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportions and on such terms and conditions and with such right preferential or otherwise as to dividends or as to repayment of capital or such other rights and either at a premium or at par, or subject to compliance with Section 54 of the Act at a discount, and at such time as they from time to time think fit and with the sanction of the Company in general meeting to give to any person the right or option of any shares either at par or at premium during such time and for such consideration as the Board think fit, and the Board may also issue and allot shares in the capital of the Company in payment or part payment of any property sold or transferred or for services rendered to the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up and, if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting. |
| | | ***Buy Back of shares*** |
| 16. | | Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities subject to the provisions of the Act and other applicable provisions of law. |
| | | ***Lien*** |
| 19. | | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sales thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses or interest and premium from time to time declared or payable in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any on such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article. Fully paid up shares/debentures shall be free from lien. |
| | | ***Call on shares*** |

| Article | Sub-article | Particulars |
|---|---|---|
| 20. | | Regulation 13 of Table F shall apply to this Company, provided that:<br><br>i there shall be no restriction on the amount that can be called by the Board;<br>ii there shall be no restriction on the intervals between any two or more call made by the Board;<br><br>and under each of the above circumstances the remaining provisions contained in Table F shall apply accordingly. |
| | | ***Transfer of shares*** |
| 39. | | Subject to the provisions of Sections 58 and 59 of the Act, Article 35 hereof and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmissions by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within thirty days from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reason for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Further provided that a common form of transfer shall be used, the instrument of transfer shall be in writing and all the provisions of the Act for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The securities held by any Member in the Company shall be freely transferable; provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract. |
| | | ***Capitalization of profits*** |
| 58. | | Notwithstanding anything contained in Table F, but subject to the provisions of the Act, at any general meeting of the Members of the Company, the Company may resolve that any amount standing to the credit of the Securities Premium Account or the Capital Redemption Reserve Account or Profit & Loss Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and otherwise available and set free for distribution amongst the Members who would have been entitled thereto in such proportions as may be permitted under the Act: |
| | (i) | by the issue and distribution as fully paid shares, debentures, debenture stock, bonds of obligations of the Company; or |
| | (ii) | by crediting the shares of the Company which may have been issued and or not fully paid-up with the whole or any part of the sum remaining unpaid thereon. |
| | | |
| | | ***Borrowing Powers*** |
| 57. | | The Board may from time to time at its discretion raise or borrow or secure the payment of or may itself lend any sum or sums of money for the purposes of the Company. The Board may raise money and secure the repayment of such money in such manner and on such terms and conditions in all respects, as it thinks fit and proper and in particular by the issue of debenture and bonds of the Company or by the creation of debenture stock, subject to the limitations and restrictions in the Act or by making, drawing, accepting or endorsing on behalf of the Company, promissory note or bills of exchange, or giving or issuing any other securities of the Company or mortgage or charge of all or any part of the property of the Company, both present and future, including its uncalled capital for the time being and the Board may on behalf of the Company guarantee all or any part of any loan or debt, incurred by the Company with power for them to secure the guarantors against liability in respect of such loans by means of mortgage or change of the Company's property moveable or immoveable or otherwise. |
| | | ***Board of Directors*** |
| 43 | | The number of Directors shall not be less than three and shall not be more than fifteen, excluding nominee Directors appointed by any Financial Institutions or any other Institutions or Banks. Provided, that the Company may appoint a director in excess of the limit provided above by passing a special resolution. |
| 45. | a. | The Board may appoint an alternate Director to act for a Director (hereinafter called the "Original Director") during his absence for a period of not less than three months, from India. |
| | b. | An alternate Director appointed under article 45(a) above shall vacate office if and when the Original Director returns to India. |

| Article | Sub-article | Particulars |
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| | c. | If the terms of office of the Original Director is determined before he returns to India, any provisions for the automative reappointment of retiring Directors in default of another appointment, shall apply to the Original and not the Alternate Director. |
| 46. | | A Director shall not be required to hold any qualification shares. |
| 49. | | At the first annual general meeting of the Company all the Directors save and except the Directors who are not liable to retire by rotation shall retire from office and at the annual general meeting in every subsequent year, one-third of such Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to the one-third, shall retire from office.<br><br>The Directors to retire in every year shall be those who have been longest in the office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall (unless they otherwise agree among themselves) be determined by lot.<br><br>A retiring Director shall be eligible for re-appointment.<br><br>The Company at the meeting at which a Director retires in manner aforesaid, may fill the vacated office by appointing a person thereto, and in default the retiring Director shall, if offering himself for re-appointment, be deemed to have been re-appointed, unless at such meeting, it is expressly resolved not to fill such vacated office or unless a resolution for the re-appointment of such Director shall have been put to the meeting and lost. |
| 51 | a. | Subject to the provisions of the Act, the Board may, from time to time, appoint one or more Directors to be managing Director/ executive Director or managing Directors/ executive Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office, appoint another or others in his place or their places. Without prejudice to the foregoing, any person appointed as a chairperson of the Company may also be appointed as the managing Director or Chief Executive Officer of the Company at the same time as his appointment as the chairperson of the Company. |
| | b. | Subject to the provisions of the Act, a managing Director/ executive Director shall, while he continues to hold that office, be subject to retirement by rotation and subject to the provisions of any contract between him and the Company, he shall be subject to the same provisions as to resignation and removal as the other Directors and if he ceases to hold the office of a Director, he shall, ipso facto and immediately cease to be a Managing Director for any cause. |
| | c. | Subject to the provisions of the Act, a Director (including any managing Director/ executive Director) shall receive such remunerations as may, from time to time be sanctioned by the Company. |
| | d. | Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Sections 179 and 180 of the Act, the Board may, from time to time, entrust to and confer upon a managing Director/ executive Director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time and be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit and the Board may confer such powers, either collaterally, with, or to the exclusion of and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers. |
| | e. | Subject to Sections 196 and 197 of the Act, any individual person may be appointed as manager of the Company by the Board on such terms, at such remuneration and upon such conditions as it may think fit and any manager appointed may be removed or dismissed and any other person may be appointed in his place by the Board. |
| | f. | A Director may be appointed as manager subject to provisions of Sections 166, 188, 196 and 197 of the Act. |
| 52. | | The management of the business of the Company shall be vested in the Board and the Board shall have all the powers and be entitled to take all such acts and do all such things as has been prescribed under the Act, or as the Company is by its Memorandum of Association, these Articles or otherwise authorised to do and are not hereby or by any statute directed or required to be exercised or done by the Company in a general meeting, but such exercise of the power shall be nevertheless subject to the provisions of the Act and of the Memorandum of Association, these Articles and to any regulations not being inconsistent with the Memorandum of Association and these Articles from time to time made by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. |
| | | ***Dividends and reserves*** |
| 26. | | The Company may, if Board deems fit, elect to pay dividends in respect of any partly-paid shares in proportion to the amount paid-up on any such shares. |

| Article | Sub-article | Particulars |
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| 27. | | Any forfeiture of shares in accordance with the Act and Table F shall deem to include forfeiture of all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. |
| 56 | | The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven days from the date of expiry of the thirty (30) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend of Matrimony.com Limited". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by law.<br><br>The Company shall comply with the provisions of the Act in respect of any money remaining unpaid with the Company in the nature of: |
| | i | application moneys received by the Company for allotment of any securities and due for refund has remained unclaimed for a period of seven years; |
| | ii | deposits received by the Company and due for repayment has remained unclaimed for a period of seven years; |
| | iii | debentures issued by the Company and matured for redemption has remained unclaimed for a period of seven years; |
| | iv | the interest, if any, accrued on the amount referred at items (i), (ii) and (iii) respectively; |
| | v. | sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for seven years or more; |
| | vi. | redemption amount of preference shares remaining unpaid or unclaimed for seven or more years; and |
| | vii. | such other amount that may be prescribed under the Act. |

Part II of the Articles provide for all the rights and obligations of the parties to the shareholders agreement entered into with Mayfield XII, Mauritius, Canaan VII Mauritius, Bessemer India Capital Holdings II Ltd., Draper Investment Company, LLC, and The Hartenbaum Revocable Trust, U/A/D 02/03/2006.

Provided that Part II of the Articles shall terminate, cease to remain in effect and deemed to fall away without any further action by any party (including the Company or any of its members) immediately on the commencement of trading of the Equity Shares on any recognized stock exchange.

| Article | Sub-article | Particulars |
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| | | ***Conversion of Existing Investor Preference Shares*** |
| 4. | | INDIAN IPO DEMAND RIGHTS |
| | i. | Primary Issuances: After December 31, 2010, the Initiating Investors shall have the right to require the Company to conduct an Indian IPO (an "Investor Demand Right") to list the Company's Equity Shares on an Indian Stock Exchange. |
| | ii | Secondary Offerings: After December 31, 2010, the Initiating Investors shall also have the right to require the Company to conduct an Indian IPO to offer for sale, at each Initiating Investor's election, up to the entire amount of the Equity Shares held by such Initiating Investor, subject to Indian Law (an "Investor Secondary Offering Demand Right"). |
| | iii | Initiating Actions: The Company shall immediately take all necessary steps in accordance with applicable Law and subject to the provisions of these Articles (and any other applicable provision of these Articles) to conduct an Indian IPO upon the occurrence of either of the following: |
| | a. | Board Resolution: A Board resolution authorizing the Company to file for an Indian IPO, and a subsequent approval of the Shareholders of such resolution of the Board in a general meeting to conduct an Indian IPO as authorized by the Board; |
| | b. | Demand Notice: The receipt of an Indian IPO Demand Notice pursuant to an Investor Demand Right or Investor Secondary Offering Demand Right on the Company. |
| | iv. | Indian IPO Demand Notice: Upon the receipt of a written notice executed by the Initiating Investors to the Company (an "Indian IPO Demand Notice") specifying (i) the Indian Stock Exchanges where they would like the Company to conduct its Indian IPO and (ii) to the extent an Investor Secondary Offering Demand Right is being exercised, the number of Equity Shares held by each Initiating Investor that they would like to offer as a part of the proposed Indian IPO (the "IPO Sale Shares"), the Company shall immediately take all necessary steps to file for an Indian IPO on the Indian Stock Exchanges named in the Indian IPO Demand Notice and to include the IPO Sale Shares as a part of the Indian IPO (to the extent an Investor Secondary Offering Demand Right is being exercised). |

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| | | Steps the Company shall take shall include but not be limited to, nominating a Category I Merchant Bank registered with the SEBI to underwrite the Indian IPO, preparing and filing a prospectus with the SEBI, and applying to and receiving from the Indian Stock Exchanges permission to list the Company's Equity Shares. |
| | v. | Company Delay Right: If upon receipt of the Indian IPO Demand Notice, a majority of the Board resolves to exercise its rights under this Article, the Company shall have the right to delay the Indian IPO by not more than sixty (60) calendar days (the "First Delay Period") from the date of receipt of the Indian IPO Demand Notice. |
| | vi. | Company Determinations: The Company (in consultation with the lead manager for the Indian IPO, upon a vote of a majority of the Board, shall determine the following matters in connection with the Indian IPO and offer for sale of Equity Shares held by the Investors, as applicable: |
| | a. | Number of Equity Shares: The number of Equity Shares to be issued by the Company as a fresh issue of Equity Shares by the Company and the number of Equity Shares to be offered for sale by the Investors; provided, however, that if the Indian IPO is pursuant to an Indian IPO Demand Notice and the Indian IPO Demand Notice specifies the number of Equity Shares held by the Investors to be offered as a part of the Indian IPO, such Indian IPO Demand Notice shall be conclusive as to the number of Equity Shares held by the Investors to be included in the Indian IPO; |
| | b. | Price: The price at which the Equity Shares shall be offered to the public; and |
| | c. | Agents: The appointment of lead managers, registrars, financial advisors, issue managers and other advisors to the Indian IPO, subject to, in the event of the Initiating Investors exercising the Investor Secondary Offering Demand Right, the lead manager being a Category I Lead Manager (as defined under applicable Indian Law) decided by the Company, with the consent of a majority of the Initiating Investors (which consent shall not be unreasonably withheld). |
| | vii | Indian IPO Covenants |
| | a. | The Company and the Shareholders jointly and severally undertake to exercise their respective voting rights (as members or nominators of members of the Board and as shareholders), and to cause the Board to take all steps necessary for the Company to expeditiously prepare for and consummate an Indian IPO within a period of 180 days from the date of the Board resolution pursuant to Article 10 iii. a) or the Indian IPO Demand Notice pursuant to Article 10 iv., as applicable, and to enable the Investors to sell Equity Shares held by them through an Indian IPO, including but not limited to: |
| | i. | preparing and signing the relevant offer documents; |
| | ii. | preparing and signing such amendments to the Articles as are required for the Indian IPO; |
| | iii. | conducting road shows; |
| | iv. | entering into appropriate and necessary agreements; |
| | v. | providing all necessary information and documents necessary to prepare the offer documents; |
| | vi. | conducting all acts necessary to facilitate a sale of Equity Shares held by the Investors; |
| | vii. | obtaining any necessary regulatory or other approvals; and |
| | viii. | conducting such further reasonable acts or deeds as may be necessary or are customary in transactions of such nature. |
| | b. | Listing Requirements: The Company undertakes to ensure compliance with the listing requirements of the Indian Stock Exchanges and all applicable regulatory authorities. |
| | c. | Compliance with Law: The Company agrees to ensure compliance with all applicable Laws, all applicable provisions of the Act, the SEBI guidelines, the listing agreement of the relevant Indian Stock Exchanges and other regulations prevailing at the time of the Indian IPO. |
| | d. | Permissions: The Company agrees to the extent necessary, obtain permission from banks and other financial institutions that allow the Company to conduct and consummate an Indian IPO. |
| | e. | Publicity Materials: The Company shall obtain the prior approval of the Investors to the contents of all materials, representations and information contained in the promotion, publicity and marketing of the Indian IPO, leading to the offering and as well as before or after the completion of the Listing. |
| | viii. | Expenses: Subject to applicable Law, all expenses incurred in effecting an Indian IPO, including without limitation, statutory filing fees, printing expenses, escrow fees, underwriting fees, listing fees, merchant bankers' fees, bankers' fees, brokerage, commission, publicity charges, fees and disbursements of counsel, accountants and other advisors for the Company, one special counsel jointly appointed by the Investors (whose legal fees shall not exceed $50,000) and any other costs including such costs that may be incurred due to the changes/modifications of the Law and regulations for the time being in force, shall be borne by the Company. |
| | ix. | Minimum Offer Size Requirement: In the event that the Company undertakes an Indian IPO, the Promoters undertake to provide such number of Shares as may be required in addition to the Investors' Shares, to fulfill the mandatory minimum offer size requirement under the SEBI Guidelines for achieving the Indian IPO and listing. |
| | x. | Promoters: The Promoters and the Company undertake, subject to applicable Law, that the Investors shall not be designated as a "promoter" nor shall any declaration or statement be made, either directly or indirectly, in filings with regulatory or governmental authorities, offer documents or otherwise, with a view to ensure that restrictions under the Laws applicable to promoters (including without limitation lock-in restrictions) do not apply to the Investors, which are merely financial investors in and not promoters of the Company.. |

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| | xi. | Piggyback Registration Rights: |
| | a. | In the event that the Company proposes to undertake any public offering of the securities of the Company, the Company shall provide written notice to the Investors at least thirty (30) calendar days prior to the filing of any prospectus, offer document, registration statement or equivalent document in relation to such public offering, by whatever name called, in any jurisdiction, and each Investor shall have the right to include in such public offering all or part of the Investor Shares held by the Investors through an offer for sale of such Investor Shares on the same terms and conditions as the other Shares of the Company. Each Investor shall have twenty-one (21) days from receipt of notice from the Company to inform the Company of its decision to exercise its right under these Articles. |
| | b. | Upon any of the Investors exercising their right under Article a) above, the Company shall cause the prospectus, offer document, registration statement or equivalent document, which shall include such Investor Shares as are offered by the Investors, to be declared effective by the relevant authority, and to keep the prospectus, offer document, registration statement or equivalent document effective with the relevant authority so long as necessary under applicable Law to permit the transfer of the Investor Shares by the Investors. |
| | c. | The expenses of preparation and filing of the prospectus, offer document, registration statement or equivalent document shall be borne by the Company and the fees/commission payable to the underwriters appointed for the purposes of this Article shall also be borne by the Company |
| 5. | | SPONSORED OFFERING DEMAND RIGHT |
| | i. | <u>Initiation of Demand</u>: At any time after the first anniversary of the Indian IPO if under applicable Law or due to limited trading volume, volume trading restrictions, or materially increased regulatory or repatriation limitations, the Investors are restricted in any manner from selling the Investor Shares in India, the Initiating Investors may issue a demand in writing to the Company (the "Secondary Offering Demand Notice") requiring the Company to conduct a secondary sponsored offering of ADRs or Global Depositary Receipts ("GDRs") against such number of Equity Shares that are tendered by the Shareholders of the Company including the Investor Shares held by such Investors ("Secondary Offering"). The Secondary Offering Demand Notice shall specify the stock exchange on which the secondary offering of ADRs or GDRs shall be made and the number of Investor Shares such Investors wishes to offer for sale in such offering. |
| | ii. | **Secondary Offering by the Company: Subject only to Article 66 iii., immediately upon receipt of an Secondary Offering Demand Notice, the Company shall forthwith take all steps within its power as may be necessary to undertake a Secondary Offering, as the case may be, against such number of Equity Shares that are tendered by the Shareholders of the Company, subject to and in accordance with applicable Law. Without prejudice to the generality of the foregoing, the Company shall convene meetings of the Board and of the shareholders to get their requisite approvals for the Secondary Offering, providing full details of the offering in the notices calling for such meetings, appoint an investment bank to lead manage the offering, such investment bank to be one which is registered with the appropriate regulatory authority in the jurisdiction where the ADRs or GDRs are to be listed and which shall be acceptable to the Investors who issued the Secondary Offering Demand Notice ("Eligible Investment Banks"), and take all other steps as may be necessary and customary in similar transactions to ensure that the offering is completed and the proceeds of the offering are paid to the Investors within a reasonable time period from the date of the Secondary Offering Demand Notice.** |
| | iii. | **Delay Rights of the Company: If upon receipt of the Secondary Offering Demand Notice, (i) two Eligible Investment Banks independently advise the Company and the Board that it is not in the best interests of the Company to conduct the requested registration, if applicable, and offering at that time as a result of adverse market conditions, and (ii) a majority of the Board resolves that undertaking the Secondary Offering would be materially detrimental to the Company, the Company shall have the right to delay the Secondary Offering by not more than sixty (60) calendar days from the date of the Secondary Offering Demand Notice.** |
| | iv. | <u>Costs:</u> Subject to applicable Law, all expenses incurred in effecting a Secondary Offering, including without limitation, statutory filing fees, printing expenses, escrow fees, fees and disbursements of counsel, accountants and other advisors for the Company and fees and disbursements of a single counsel jointly appointed by the Investors (whose legal fees shall not exceed $50,000), shall be borne by the Company. |
| | v. | **Foreign Shareholding Limit: In the event the Company undertakes Secondary Offering in accordance with the provisions of these Articles, the Company shall ensure that in computing any foreign shareholding limits imposed under applicable Law on the Company for any purpose (other than solely for regulatory reporting purposes), the shareholding held by Investors resident in India shall be deemed to form part of the foreign shareholding in the Company.** |
| | vi. | **The Company covenants and agrees that it shall ensure compliance with the laws applicable in the jurisdiction where the Secondary Offering is undertaken and shall indemnify the Investor for any non-compliance thereof.** |
| 6. | | Indemnification by the Company |

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| | i. | Indemnification |
| | a. | Indemnification by the Company: To the extent permitted by Law, the Company will indemnify and hold harmless each Investor, each of its officers, directors and partners, legal counsel, and accountants and each Person having Control over such Investor against any and all expenses, claims, demands, assessments, losses, damages, obligations, liabilities, interest and penalties, judgements or actions, proceedings, or settlements in respect thereof, including reasonable fees, disbursements and other charges of counsel (the "Losses"), resulting from (i) any violation by the Company of the provisions of applicable Law; and (ii) any misstatements or misinformation made or given by the Company or any third party in connection with the Indian IPO or in connection with the sale of Equity Shares held by such Investor through an Indian IPO or Secondary Offering pursuant these Articles or a Global IPO pursuant these Articles, unless such Losses are the direct result of a misstatement or misinformation made or given in writing by such Investor for inclusion in the offering documents. |
| | b. | No Indemnification Among Investors: Notwithstanding anything to the contrary to above, no Investor shall be required to indemnify or hold harmless any other Investor or any such other Investor's officers, directors, partners, legal counsel and accountants by reason of these Articles. |
| 7. | | Special Rights |
| | i. | **The Investor Shares Buyback Option:** |
| | a. | Buyback Election: Subject to applicable Law, at any time after three (3) years from the date of issue of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and/or the New Equity Shares respectively, each holder of one or more of such of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and/or the New Equity Shares (excluding the Minority Investors), may, by written request (the "Buyback Election", and the date of the Buyback Election, the "Buyback Election Date"), require the Company to offer to buyback all or any number of such of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and/or the New Equity Shares (as the case may be) held by such Investor, such buyback to be undertaken in three (3) equal annual instalments as follows: first, forty-five (45) calendar days after the Buyback Election Date; second, on the first anniversary of the Buyback Election Date; and third, on the second anniversary of the Buyback Election Date (each a "Buyback Payment Date"); provided, however, that the holders of the Series A Preferred Shares, the Series B Preferred Shares and/or the Series C Preferred Shares shall, if necessitated by Law, first require the Company to convert all or any number of the Series A Preferred Shares, the Series B Preferred Shares and/or the Series C Preferred Shares (with respect to which a Buyback Election has been made) held by such Investor into Equity Shares at the Series A Conversion Price and/or Series B Conversion Price and/or the Series C Conversion Price, as the case may be, prior to effectuating the buyback. It is hereby clarified that the any of the Major Investors may independently make the Buy Back Election. |
| | b. | Buyback Price: Subject to applicable Law, the Company shall effect buybacks in response to the Buyback Election on the applicable Buyback Payment Date by paying in cash in exchange for each of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and/or the New Equity Shares (as the case may be) then outstanding to be bought back, an amount equal to the greater of (i) the Series A Original Issuance Price (applicable in case of the Series A Preferred Shares and the New Equity Shares), the Series B Original Issuance Price and/or the Series C Original Issuance Price (as the case may be), or (ii) the then current fair market value of such Investor Shares (as determined in good faith on the basis of a valuation by a Big Four Accounting Firm (defined in Article 8.iii (c)(II) below) selected by the Board and acceptable to the Major Investors, if the Company and Major Investors cannot otherwise agree upon a fair market value within five (5) calendar days after the Buyback Election Date), in each case plus any declared but unpaid dividends (the "Buyback Price"); provided, however, that the Buyback Price shall not in any event be greater than the maximum price permitted under applicable law. The Investor Shares shall be bought back pursuant to this article from each holder of the Investor Shares electing to participate in such buyback (the "Buyback Participating Investors") in accordance with Article 8.i c) on a pro-rata basis. Each Major Investor's pro rata percentage of the Investor Shares that are subject to buyback from each such holder of the Investor Shares on each Buyback Payment Date, shall be equal to the quotient obtained by dividing (i) the total number of the Investor Shares (as the case may be), owned by such holder immediately before the applicable Buyback Payment Date by (ii) the total number of the Investor Shares, owned collectively by all holders of the Investor Shares (as the case may be), electing to participate in such buyback in accordance with Article 8.i c) immediately before such Buyback Payment Date. |
| | c. | Notice: Within twenty-one (21) calendar days following its receipt of the Buyback Election, the Company shall mail a written notice to each holder of record (as of the close of business on the business day immediately preceding the Buyback Election Date) of the Investor Shares, at the address last shown on the records of the Company for such holder, (i) notifying such holder of the buyback and (ii) specifying the number of the Investor Shares that such holder is entitled to require the Company to buyback at each Buyback Payment Date, the Buyback Price and the place at which payment may be obtained (the "Buyback Notice"). Each holder of the Investor Shares shall have |

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| | | fifteen (15) calendar days from receipt of the Buyback Notice to elect in writing (the "Buyback Acceptance Notice") to have the Company buyback all of the Investor Shares held by such holder. On or before each Buyback Payment Date, the Company shall, to the extent sufficient funds are legally available, deposit the Buyback Price of all the Investor Shares to be bought back on that Buyback Payment Date with a reputable bank or trust company designated by a majority of the Investors participating in the Buyback, as a trust fund, with irrevocable instructions and authority to the bank or trust company to pay, on and after such Buyback Payment Date, the Buyback Price of the Investor Shares to their respective holders upon the delivery by such Investors of a delivery instruction slip (issued by the depositary participant), executed by such Investor instructing the depositary participant to tender the Investor Shares held by such Investor to be bought back on such Buyback Payment Date. The balance of any funds deposited by the Company pursuant to this Article 8.i remaining unclaimed at the expiration of four (4) months following such Buyback Payment Date shall be returned promptly by the bank or trust company to the Company. |
| | d. | <u>Termination of Shareholder Rights</u>: From and after the date when the relevant Shares stand extinguished pursuant to the Company giving effect to the buyback of such Shares pursuant to the Buy Back Election, unless there shall have been a default in payment of the Buyback Price, all rights of the holders of the Investor Shares and designated for buyback in the Buyback Notice on such Buyback Payment Date shall cease for such Investor Shares (except the right to receive the Buyback Price), and such Investor Shares shall not thereafter be deemed to be outstanding for any purpose whatsoever. If the funds of the Company legally available for buyback of the Investor Shares on any Buyback Payment Date are insufficient to buyback the total number of the Investor Shares to be bought back on such Buyback Payment Date, those funds which are legally available will be used to buyback the maximum possible number of such Investor Shares rateably among the holders of such Investor Shares to be bought back based upon the total Buyback Price applicable to each such holder's Investor Shares, calculated according to the formula set forth in article 8.i b). The Investor Shares that are not bought back shall remain outstanding and the holders of such outstanding Investor Shares shall be entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Company are legally available for the buyback of the Investor Shares, such funds will immediately be used to buyback the balance of the Investor Shares which the Company has become obliged to buyback on any Buyback Payment Date, but which it has not bought back. |
| | e. | <u>Waiver of Other Shareholders</u>: The rights granted under these Articles shall only be available to the Major Investors. All other holders of the Investor Shares of the Company agree to waive any rights they may have (contractual, statutory or otherwise) to participate in any Buyback. |
| | f. | <u>Termination</u>: The right to the Buyback Payments under these Articles shall terminate immediately after each Investor that elected to participate in the Buyback receive aggregate payments equal to the Buyback Price for the Investor Shares held by such Investor. |
| | g. | It is hereby clarified that the Buy Back Election under these Articles may only be made by the Major Investors. |
| | ii. | **Dividend Rights:** |
| | a. | <u>Investor Preferred Shares</u>: The record holders of the Investor Preferred Shares, on a pari passu basis with holders of any Equity Shares, shall be entitled to receive, when, as and if declared by the Board, but only out of funds that are legally available therefore, dividends on their Investor Preferred Shares on a share-for-share basis with the holders of the Equity Shares. The right to receive dividends on any Investor Preferred Shares shall not be cumulative, and no right to such dividends shall accrue to holders of the Investor Preferred Shares because dividends on said shares are not declared in any calendar year. |
| | b. | <u>Payment of Dividends</u>: Any dividends declared or paid in any Fiscal Year shall be declared or paid among the holders of the Investor Preferred Shares and Equity Shares then outstanding in proportion to the greatest whole number of Equity Shares (which in case of the Investor Preferred Shares, shall be on a Fully Diluted Basis and with one-half being rounded upward) held by each such holder. |
| | iii. | Right to Receive Bonus Shares: |
| | | The Parties agree that the record holders of Investor Preferred Shares, on a pari passu basis with holders of any Equity Shares, shall be entitled to receive, when, as and if declared by the Company, bonus shares on their Investor Preferred Shares on a share-for-share basis with the holders of the Equity Shareholders. |
| | iv. | **Liquidation Rights:** |
| | a. | <u>Liquidation Preference</u>: Upon any Liquidation, the Shareholders agree that, subject to applicable laws, the then current holders of the Investor Shares shall receive pursuant to (i) a redistribution among the Shareholders, out of the assets or surplus funds of the Company distributed by the Company in case of any dissolution, liquidation or winding up of the Company but after any distribution by the Company of such assets among, or payment thereof over to, creditors of the Company, if any, or (ii) a redistribution among the Shareholders, out of the proceeds received pursuant to a Change in Control, before any payment or distribution shall be made to any other holders of Equity Shares or any other shares or securities, an amount for each Investor equal to the sum of (i) 1.5 x (One Point Five times) the Series A Original Issuance Price for the Series A Preferred Shares and the New Equity Shares or 1.5 x (One Point Five times) the Series B Original |

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| | | Issuance Price for the Series B Preferred Shares (as the case may be) or 1.5 x (One Point Five times) the Series C Original Issuance Price for the Series C Preferred Shares (as the case may be), plus (ii) any declared but unpaid dividends on such Investor Shares (collectively, the "Investor Shares Liquidation Amount") (the payment of such Investor Shares Liquidation Amount shall be referred to herein as the "Investor Shares Liquidation Distribution"). The Investor Shares Liquidation Amount to be paid out in respect of the Series B Preferred Shares and/or the Series C Preferred Shares and/or the New Equity Shares will be pro rata and pari passu to that of the Investor Shares Liquidation Amount to be paid out in respect of the Series A Preferred Shares. If the assets distributable to holders of any Investor Shares upon such Liquidation shall be insufficient to pay the Investor Shares Liquidation Amount to the holders of all Investor Shares, then the Shareholders agree that such assets or the proceeds thereof shall be distributed among the holders of the Investor Shares in proportion to the respective amounts to which they otherwise would be entitled. Each of the holders of Investor Shares may elect to waive such holder's right to the Investor Shares Liquidation Distribution and elect to instead receive their pro rata portion of the Equity Shares Liquidation Distribution (as defined below). |
| | b. | Equity Shares Liquidation Distribution: After the Investor Shares Liquidation Distribution (as otherwise applicable) pursuant to 8.iii a), the Shareholders agree that the entire remaining assets of the Company available for distribution to the Shareholders shall be distributed with equal priority and pro rata among the holders of the Equity Shares, which shall include the holders of the New Equity Shares only in the event that upon any Liquidation, due to any reason, no liquidation preference has been received by the holders of the New Equity Shares, pursuant to Article 8.iii a), above (the "Equity Shares Liquidation Distribution"), provided, however, that in the event any of the holders of Investor Shares have waived their rights to receive any Investor Shares Liquidation Distribution and elected to instead receive their pro rata portion of the Equity Shares Liquidation Distribution pursuant to Article 8.iii b), the holders of any Investor Shares shall be regarded as holders of Equity Shares on a Fully Diluted Basis for purposes of these Articles. |
| | c. | Valuation of Non-Cash Property: Whenever any distribution provided for in this Article 13 ii. shall be payable in securities or property other than cash, then the Shareholders agree that the value of such distribution shall be the fair market value of such distribution as determined in good faith by the Board (including the affirmative vote of the Investor Directors (as defined below)), except that any securities to be distributed to Shareholders will be valued as follows, provided, however, that if the distribution being valued pursuant to this Article is made in connection with a Change in Control, and the definitive transaction documents for such Change in Control provide for a different method of valuation, the method of valuation set forth in such documents, not the provisions of this Article c), shall control: |
| | I | Securities not subject to restrictions on free marketability:<br><br>If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30)-day period ending three (3) calendar days before the closing; and<br><br>If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever are applicable) over the thirty (30)-day period ending three (3) calendar days before the closing. |
| | II | The method of valuation of securities subject to restrictions on free marketability (other than restrictions arising solely because of a shareholder's status as an affiliate or former affiliate of the Company) or that are otherwise illiquid shall be to make an appropriate discount from the market value determined as above in Articles 8 ii. c) I. A) and 8 ii. c) I. B) to reflect the approximate fair market value thereof, as determined in good faith by a Big Four Accounting Firm selected by the Board, including the affirmative vote of the Investor Directors. For purposes hereof, "Big Four Accounting Firm" means such Indian firms of chartered accountants as are associated with Deloitte &Touche, Ernst & Young, KPMG or PricewaterhouseCoopers and their respective successors. |
| | III | For purposes of this Article III, the Promoters hereby acknowledge and agree to the Investors' right to liquidation preference on the Investor Shares respectively and agree to hold all amounts received by them (pursuant to a Liquidation Event) in trust for and on behalf of the Investors. The Promoters further covenant that each of them shall Transfer any proceeds received by them from the Company in the event of a Liquidation Event to the Investors so as to give effect to the provisions of this Article III. |
| | v. | **Conversion:** |
| | a. | Right to Convert: Each share of the Investor Preferred Shares respectively shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Company, into such number of fully paid and non-assessable shares of Equity Shares as is determined by the following formula: |
| | | A = B x (D/C) |

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| | | Where:<br>A = The number of Equity Shares into which the Series A Preferred Shares, the Series B Preferred Shares, and/or Series C Preferred Shares, shall convert into;<br>B = The number of Series A Preferred Shares, the Series B Preferred Shares, and/or Series C Preferred Shares, as the case maybe prior to conversion;<br>C = The Series A Conversion Price for the Series A Preferred Shares, or the Series B Conversion Price for the Series B Preferred Shares, or the Series C Conversion Price for the Series C Preferred Shares (as the case may be), as on the date of in effect on the date the Series A Preferred Shares, Series B Preferred Shares or Series C Preferred Shares as the case may be, are surrendered for conversion;<br>D = The Series A Original Issuance Price for the Series A Preferred Shares, or the Series B Original Issuance Price for the Series B Preferred Shares, or the Series C Original Issuance Price for the Series C Preferred Shares (as the case may be), as on the date of issuance of each of the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares respectively;<br>and as determined as hereafter provided. |
| | c. | Automatic Conversion: Each share of the Investor Preferred Shares shall automatically be converted into shares of Equity Shares respectively at the Series A Conversion Price or the Series B Conversion Price or the Series C Conversion Price (as the case may be) at the time in effect for such share of the Investor Preferred Shares immediately upon the earlier of (i) the latest date on which the Investor Preferred Shares are required to be converted into Equity Shares in terms of applicable Law in connection with an Indian IPO or Global IPO at a public offering price equal to or exceeding 1.5x (one and half times) the Series C Original Conversion Price per Equity Share and in which offering the aggregate proceeds to the Company are not less than $40,000,000 (United States Dollars Forty Million) (before deduction of underwriting commissions and expenses) or (ii) the date specified by written consent or agreement of any of the holders of the then outstanding Investor Preferred Shares (with respect to their respective Shares). Without prejudice to the above, the Series B Preferred Shares and/or the Series C Preferred Shares shall be automatically converted into Equity Shares on the twentieth anniversary of the date of issue and allotment of the Series B Preferred Shares and/or the Series C Preferred Shares respectively. |
| | d. | Mechanics of Conversion: Before any holder of the Investor Preferred Shares shall be entitled to convert the same into Equity Shares, he or she shall surrender the certificate or certificates therefore, duly endorsed, at the office of the Company (or notify the depositary, if such Investor Preferred Shares are held in dematerialized form), and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the shares of Equity Shares are to be issued and whether he or she desires to hold the Equity Shares in physical or dematerialized form. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of the Investor Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Equity Shares to which such holder shall be entitled as aforesaid; provided, however, that if the holder of any Investor Preferred Shares elects to hold the converted Equity Shares in a dematerialized form, the Company shall intimate the depository the details of allotment of the Equity Shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Equity Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of the Investor Preferred Shares to be converted (or notification, in the case of the dematerialized Investor Preferred Shares), and the person or persons entitled to receive the shares of Equity Shares issuable upon such conversion shall be treated for all purposes as the record owners or beneficial owner, as the case may be, of such shares of the Equity Shares as of such date. If the conversion is in connection with an Indian IPO, the conversion may, at the option of any holder tendering any Investor Preferred Shares for conversion, be conditioned upon the closing with the underwriters of the sale of Equity Shares pursuant to such Indian IPO, in which event the persons entitled to receive the Equity Shares upon conversion of the Investor Preferred Shares shall not be deemed to have converted such Investor Preferred Shares until immediately prior to the closing of such sale of securities. |
| | vi. | **Anti-Dilution Rights:** |
| | a. | Adjustments for Diluting Issues: |
| | I. | Special Definition: For purposes of this Article V, “Additional Equity Shares” means all Equity Shares issued (or, pursuant to this Article V, deemed to be issued) by the Company, other than issuances or deemed issuances of:<br><br>*A) Equity Shares and Convertible Securities issued pursuant to the ESOP under the stock option plan set forth in Article 11((x);*<br><br>*B) Equity Shares issued or issuable on a bonus issue of shares so long as such bonus is issued to all holders of the Investor Preferred Shares and the Equity Shares in proportion to their shareholding in the Company;*<br><br>*C) Equity Shares issued or issuable upon conversion of the Investor Preferred Shares; and* |

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| | | Equity Shares issued in an Indian IPO or Global IPO |
| | b. | <u>Deemed Issue of Additional Equity Shares</u>: In the event the Company at any time shall issue any Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any Convertible Securities, then the maximum number of Equity Shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) issuable upon the conversion or exchange of such Convertible Securities or, in the case of options for Convertible Securities, the exercise of such options and the conversion or exchange of the underlying securities, shall be deemed to have been issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which shares are deemed to be issued:<br><br>no further adjustment shall be made upon the subsequent issue of Convertible Securities or Equity Shares in connection with the exercise of such options or conversion or exchange of such Convertible Securities;<br><br>if such options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Company or in the number of Equity Shares issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such options or Convertible Securities such as these Articles or pursuant to recapitalization provisions of such options or Convertible Securities such), the adjustment and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);<br><br>upon the expiration of any such options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the adjustment computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:<br><br>in the case of Convertible Securities or options for Equity Shares, the only Additional Equity Shares issued were the Equity Shares, if any, actually issued upon the exercise of such options or the conversion or exchange of such Convertible Securities and the consideration received therefore was the consideration actually received by the Company for the issue of such exercised options plus the consideration actually received by the Company upon such exercise or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange; and<br><br>in the case of options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such options, and the consideration received by the Company for the Additional Equity Shares deemed to have been then issued was the consideration actually received by the Company for the issue of such exercised options, plus the consideration deemed to have been received by the Company (determined pursuant to these Articles upon the issue of the Convertible Securities with respect to which such options were actually exercised); and<br><br>if such record date shall have been fixed and such options or Convertible Securities are not issued on the date fixed therefore, the adjustment previously made which became effective on such record date shall be cancelled as of the close of business on such record date, and thereafter shall be adjusted pursuant to these Articles as of the actual date of their issuance. |
| | c. | Adjustment Upon Issuance of Additional Equity Shares: |
| | I. | If the Company shall issue, on and after the date hereof, any Additional Equity Shares without consideration or for a consideration per share less than the Series A Conversion Price in effect immediately prior to the issuance of such Additional Equity Shares, the Series A Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this Article 18 v. c)) be adjusted to a price determined by multiplying such Series A Conversion Price by a fraction, (i) the numerator of which shall be the number of shares of Equity Shares outstanding immediately prior to such issuance (including shares of Equity Shares deemed to be issued pursuant to Article 8(v)(b)) plus the number of shares of Equity Shares that the aggregate consideration received by the Company for such issuance would purchase at such Series A Conversion Price and (ii) the denominator of which shall be the number of shares of Equity Shares outstanding immediately prior to such issuance (including shares of Equity Shares deemed to be issued pursuant to Article 8(v)(b)) plus the number of shares of such Additional Equity Shares. Notwithstanding the foregoing, the holders of seventy-five percent (75%) of the Series A Preferred Shares may elect to waive the Series A Conversion Price adjustment set forth herein. |
| | II. | If the Company shall issue, on and after the date hereof, any Additional Equity Shares without |

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| | | consideration or for a consideration per share less than the Series B Conversion Price in effect immediately prior to the issuance of such Additional Equity Shares, the Series B Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this Article)) be adjusted to a price determined by multiplying such Series B Conversion Price by a fraction, (i) the numerator of which shall be the number of shares of Equity Shares outstanding immediately prior to such issuance (including shares of Equity Shares deemed to be issued pursuant to these Articles plus the number of shares of Equity Shares that the aggregate consideration received by the Company for such issuance would purchase at such Series B Conversion Price and (ii) the denominator of which shall be the number of shares of Equity Shares outstanding immediately prior to such issuance (including shares of Equity Shares deemed to be issued pursuant to these Articles plus the number of shares of such Additional Equity Shares. Notwithstanding the foregoing, the holders of seventy-five percent (75%) of the Series B Preferred Shares may elect to waive the Series B Conversion Price adjustment set forth herein. |
| | III. | If the Company shall issue, on and after the date hereof, any Additional Equity Shares without consideration or for a consideration per share less than the Series C Conversion Price in effect immediately prior to the issuance of such Additional Equity Shares, the Series C Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in these Articles) be adjusted to a price determined by multiplying such Series C Conversion Price by a fraction, (i) the numerator of which shall be the number of shares of Equity Shares outstanding immediately prior to such issuance (including shares of Equity Shares deemed to be issued pursuant to Article 8(v)(b)) plus the number of shares of Equity Shares that the aggregate consideration received by the Company for such issuance would purchase at such Series C Conversion Price and (ii) the denominator of which shall be the number of shares of Equity Shares outstanding immediately prior to such issuance (including shares of Equity Shares deemed to be issued pursuant to Article 8(v)(b)) plus the number of shares of such Additional Equity Shares. Notwithstanding the foregoing, the holders of seventy-five percent (75%) of the Series C Preferred Shares may elect to waive the Series C Conversion Price adjustment set forth herein. |
| | d. | Determination of Consideration: For purposes of this Article V, the consideration received by the Company for the issue (or deemed issue) of any Additional Equity Shares shall be computed as follows: |
| | I. | Cash and Property: Such consideration shall:<br><br>A) *insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with such issuance;*<br><br>B) *insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board; and*<br><br>C) *in the event Additional Equity Shares are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in A) and B) above, as reasonably determined in good faith by the Board.* |
| | II. | Convertible Securities: The consideration per share received by the Company for Additional Equity Shares deemed to have been issued shall be determined by dividing:<br><br>A) *(x): the total amount, if any, received or receivable by the Company as consideration for the issue of such options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such options or the conversion or exchange of such Convertible Securities, or in the case of options for Convertible Securities, the exercise of such options for Convertible Securities and the conversion or exchange of such Convertible Securities, by*<br><br>B) *(y): the maximum number of Equity Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such options or the conversion or exchange of such Convertible Securities.* |
| | e. | <u>Adjustments for Reclassification, Exchange and Substitution</u>: If the Equity Shares shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise, then, in any such event, the Investors shall be entitled to such number and class of shares that would place the Investor in the same position relative to all other shareholders as Investors was immediately before such reorganization or reclassification. |
| | f. | <u>No Impairment</u>: The Company will not through any amendment of its Articles or Memorandum or |

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| | | any reorganization, transfer of assets, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions Article 8 v. and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Investors against impairment. |
| | g. | <u>Certificate as to Adjustments</u>: Upon the occurrence of each adjustment or readjustment pursuant to Article 8 v., the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Investor a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based along with stock certificates evidencing such adjustment. The Company shall, upon the written request at any time of the Investor, furnish or cause to be furnished to such Investor a like certificate setting forth such adjustments and readjustments and the number of Equity Shares and the amount, if any, of other property which at the time would be received upon the adjustment. |
| | h. | <u>Reservation of Stock Issuable Upon Adjustment</u>: The Company and all shareholders shall take all reasonable actions to at all times reserve and keep available out of its authorized but unissued Equity Shares solely for the purpose of effecting an adjustment pursuant to Article 8 v., such number of its Equity Shares as shall from time to time be sufficient to effect an adjustment; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect an adjustment, the Company and all shareholders agree to take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of Equity Shares as shall be sufficient for such purpose. |
| | vii. | Voting Rights: |
| | a. | The holder of each share of Series A Preferred Shares, or Series B Preferred Shares or Series C Preferred Shares shall have the right to one vote for each share of Equity Share into which such Series A Preferred Shares, or Series B Preferred Shares or Series C Preferred Shares could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Equity Shares, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting, and shall be entitled to vote, together with holders of Equity Shares, with respect to any question upon which holders of Equity Shares have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on a Fully Diluted Basis (after aggregating all shares into which shares of the Series A Preferred Shares, or Series B Preferred Shares or Series C Preferred Shares held by each holder could be converted) and shall be rounded to the nearest whole number (with one-half being rounded upward). |
| | b. | The Company and the Promoters acknowledge that the Investors have agreed to subscribe to the Investor Shares on the basis that they will be able to exercise voting rights on the Investor Shares as if the same were converted into Equity Shares, as applicable, and towards the same agrees that in the event that (a) the Company is converted from a private company to a public company; or (b) Article 8 vi. above becomes unenforceable under applicable Law, until the earlier of buy-back of the Investor Shares or conversion of the Investor Shares into Equity Shares, the Promoters shall vote in accordance with the instructions of the Investors at a General Meeting or provide proxies without instructions to the Investors for the purposes of a General Meeting, in respect of such number of Equity Shares held by each of them such that X% (X percent) of the Equity Shares of the Company are voted on in the manner required by the Investors; provided X percent shall be equal to the percentage of Equity Shares in the Company that the Investors would hold if it were to elect to convert its Investor Shares into Equity Shares in accordance with these Articles. |
| 9 | | Pre-emptive Right |
| | i. | **Pre-emptive Right to Investors: The Company hereby grants to each Investor the pre-emptive right to purchase its pro rata share, either by itself or through a fund managed by the investment manager of such Investor, of New Securities which the Company may, from time to time, propose to allot and issue, to such parties as determined by the Company, after the date of execution of the Agreement. An Investor's pro rata share, for purposes of this pre-emptive right, is equal to the ratio of (a) the number of Equity Shares owned by such Investor immediately before the issuance of New Securities (assuming conversion or exercise of all outstanding Convertible Securities, directly or indirectly, into Equity Shares held by said Investor) to (b) the total number of Equity Shares outstanding immediately before the issuance of New Securities (assuming conversion or exercise of all of the Company's outstanding Convertible Securities). Each Investor shall have a right of over-allotment such that if any Investor fails to exercise its right hereunder to purchase its pro rata share of New Securities, the other Investor may purchase the non-purchasing Investor's portion on a pro rata basis. For purposes of these Articles, all securities held by Affiliates of an Investor shall be aggregated for purposes of determining the availability of rights hereunder, including without limitation, the determination as to whether an Investor qualifies as an Investor. To the extent possible under Law, in case the New Securities may be represented by American Depositary Shares, the Investors shall have the right to cause the Company to issue new American Depositary Shares evidencing Equity Shares. This pre-emptive right shall be subject to the following provisions:** |

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| | a. | <u>Notice</u>: If the Company proposes to issue New Securities, it shall give each Investor written notice of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each Investor shall have twenty-one (21) calendar days after any such notice received to agree to purchase such Investor's pro rata share of such New Securities and to indicate whether such Investor desires to exercise its over-allotment option for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased. |
| | b. | <u>Issuances to Parties</u>: If the Investors fail to exercise fully the pre-emptive right and over-allotment rights, if any, within said twenty-one (21) day period (the "Election Period"), the Company shall, (subject to approval of the Board, including the affirmative vote of all Investor Directors), have ninety (90) calendar days thereafter to allot or enter into an agreement to allot (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within ninety (90) calendar days from the date of said agreement) that portion of the New Securities with respect to which the Investors' pre-emptive right option set forth in Article 10 was not exercised, at a price and upon terms no more favourable to the purchasers thereof than specified in the Company's notice to Investors delivered pursuant to this Article 10 i. a). If the Company has not allotted within such ninety (90) day period following the Election Period, or such ninety (90) day period following the date of said agreement, the Company shall not thereafter allot any New Securities, without first again offering to allot such securities to the Investors in the manner provided in this Article . The closing of the sale of New Securities to the Investors and other purchasers shall occur simultaneously. |
| | c. | <u>Termination:</u> The rights granted under these Articles shall expire immediately following the occurrence of a Liquidity Event. |
| | 10. | Other Covenants |
| | i. | **Board Matters:** |
| | a. | <u>Committees</u>: The Company shall establish a Compensation Committee and Audit Committee of the Board. Each Major Investor shall have the right to appoint one Investor Director on at least one committee of the Board (each). Provided however that the majority of the members in the committees shall comprise Directors other than the Promoter Directors. |
| | b. | <u>Boards of Subsidiaries</u>: Each subsidiary of the Company shall have a board of directors which is the same size as the Company's Board and which shall be comprised of the same individual directors as serve on the Company's Board from time to time provided, however, that nothing contained in this Article 16 i. b) shall prevent the Company from nominating (i) any Independent member to the board of a subsidiary in place of the Independent Designees or (ii) any nominees of any lenders of the applicable subsidiary to the board of a subsidiary in place of the Independent Designees. |
| | ii. | **<u>Quorum</u>: On the date of any meeting of the Board or a committee thereof called to consider any action or resolution, regarding matters relating to the provisions set forth in Article 18 i. a), a quorum shall require and include the presence of both the Investor Directors appointed by the Mayfield Investor and the Canaan Investor, in order to constitute a valid quorum for such meeting (a "Valid Quorum"); regarding matters relating to provisions set forth in Article 18 i. b), a quorum shall require and include the presence of all the Investor Directors appointed by the Major Investors in order to constitute a Valid Quorum; and regarding matters other than those relating to the provisions set forth in Article 18, a quorum shall require and include the presence of at least two of the Investor Directors appointed by the Major Investors. If on the date of the Board/committee meeting, a Valid Quorum is not present, the said meeting shall automatically stand adjourned to the same day and time and at the same venue in the following week ("First Adjourned Meeting"). If, on the date of the First Adjourned Meeting, a Valid Quorum is not present, the said meeting shall automatically stand adjourned to the same day and time and at the same venue in the following week ("Second Adjourned Meeting"). In the event of a failure to constitute a Valid Quorum in any Second Adjourned Meeting the Directors present at such meeting shall constitute the quorum save and except with respect to the Investor Protective Provisions.** |
| | iii | **<u>Directors and Officers Insurance</u>: The Company shall maintain directors and officers insurance in an amount and with a carrier determined to be satisfactory to the Investors (provided that such insurance shall be for a minimum amount of Rs. 50,000,000). The directors and officers insurance coverage shall be reviewed by the Board of Directors and the Board shall enhance the coverage under such insurance on an annual basis.** |
| | iv | **<u>Indemnification Agreement</u>: The Company shall enter into an Indemnification Agreement, in the form satisfactory to the Investors, with each Investor and its Affiliates, including the Investor Directors, which shall, subject to applicable Law, provide for indemnification from the Company for all liabilities to which the Investors and such Affiliates may be subject. If a Change in Control occurs, the Company shall take all reasonable efforts to ensure that successors of the Company assume the Company's obligations in effect prior to such Change in Control with respect to indemnification of directors of the Company prior to such Change in Control, including without limitation maintaining in place on existing terms any "tail" or other insurance coverage in effect prior to such Change in Control applicable to claims made following such Change in Control.** |

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| | v. | **<u>Indemnification of Directors</u>: Subject to the provisions of, and so far as may be permitted by Law, every director, auditor, company secretary, employee or other officer shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him or her in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as director, auditor, company secretary or officer of the Company in which he is not found guilty of any negligence, default, breach of duty misfeasance or breach of trust or in which he is acquitted or in connection with any statute for relief from liability in respect of any such act or omission in which relief is granted to him by a court of competent jurisdiction.** |
| | vi. | **<u>Officers in default</u>: Each of the Investors shall not be identified as an officer in default of the Company, or occupiers of any premises used by the Company or employers under Applicable Laws. Further, the Promoters and the Company undertake to ensure that the other Directors or suitable persons are nominated as officers in default, occupiers and/or employers, as the case may be, in order to ensure that none of the Investor Directors incur any liability.** |
| | vii | **<u>Key Person Insurance</u>: The Company shall maintain a key person life and disability insurance on the Promoter with proceeds payable to the Company in a coverage amount as determined by the Board of Directors.** |
| | viii | **<u>General Liability Insurance</u>: The Company shall maintain an insurance policy covering, including without limitation, any misstatements and misinformation that may be uploaded on to any of the websites of the Company, by any user of the Company's websites, in a coverage amount as may be determined by the Board of Directors.** |
| | ix | **<u>Proprietary Rights Agreements</u>: The Company shall cause each person who becomes a director, officer or employee of the Company, to execute a Proprietary Information and Inventions Agreement.** |
| | x. | **Stock Option Plan: The Company shall establish and maintain a stock option plan for the issuance of stock options to employees and consultants to the Company. The Company will not issue or sell more than 71,897 shares to employees, officers and/or directors of, and/or consultants to, the Company or any subsidiary of the Company pursuant to the exercise of options granted under the Company's employee stock option plan or pursuant to other stock incentive arrangements (including, but not limited to, so-called "restricted stock").** |
| | xi. | **<u>Other Investments</u>: The Company and the Promoter hereby covenant that if at any time after the date hereof, (i) any of the Investors and/or their Affiliates wish to invest in any Indian company or enter into a technology transfer or trademark or brand name agreement in the same field in India, the Promoter and the Company shall cooperate with, and assist, the Investor and its Affiliates in obtaining any government or other approvals that may be required for the Investor or any of its Affiliates to invest in the Indian Company or to enter into such an agreement. The Promoter and the Company shall be deemed to have hereby consented to the investment in the Indian company (whether in the same or allied field as the business of the Company) or entering into of any such agreement, and if any further consent of such parties are necessary under applicable Law, the Promoter and his Affiliates agree that they shall not withhold or delay such consent and shall within five (5) Business Days of receipt of such a request from an Investor or any of its Affiliates, the Promoter or the Company, as the case may be, shall issue its consent to such Investor (or its Affiliate, as the case may be), in such form as the applicable Law or the Government of India may require.** |
| | xii | **<u>Arms' Length Transactions</u>: The Company shall ensure that all transactions between the Company and its Affiliates or any other related party transaction shall be disclosed to the Investors in writing prior to entering into such transaction and shall be entered into on terms that are equivalent to those that would be obtained in an arms' length arrangement and that all such transactions shall be approved by a disinterested majority of the Board.** |
| | xiii | **<u>Compliance with Laws</u>: The Company shall, and shall ensure that each of its subsidiaries shall, at all times comply with all applicable Laws in all jurisdictions in which it or each of its subsidiaries carries on business. The Company shall, and shall ensure that each of its subsidiaries shall, at all times comply with all conditions imposed by any governmental authority for the continuance of any license or Consent issued to the Company or any of its subsidiaries.** |
| | xiv | **<u>Protection of Assets</u>: The Company shall, and shall ensure that each of its subsidiaries shall, at all times, take adequate measures as may be necessary to protect all intellectual property owned by the Company and/or each of its subsidiaries, and that the Company and each of its subsidiaries does not infringe or violate the intellectual property of any third party.** |
| | xv | **<u>Taxes</u>: The Company shall, and shall ensure that each of its subsidiaries shall, at all times, timely pay its Taxes and timely file its tax returns on time in every jurisdiction where any Taxes are payable or tax returns are required to be filed.** |
| | xvi | **<u>Adequate Insurance</u>: The Company shall, and shall ensure that each of its subsidiaries shall, at all times, maintain adequate comprehensive risk and business interruption risk and calamity insurance cover with respect to the Company's and each subsidiary's assets and business, and** |

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| | | **to maintain all other forms of insurance cover required by applicable Law to be maintained.** |
| | xvii | **<u>Holding Companies</u>: If there is a capital restructuring of the Company whereby a holding company is formed for the exclusive purpose of holding shares in the Company, the Investors shall retain the right to transfer their shareholdings to the holding company such that they receive a shareholding in such holding company which gives the shareholders a beneficial interest in the Company which is equivalent to their actual interest in the Company at the time of the capital restructuring and continues to provide the Investors with their rights under these Articles. The Company shall bear all stamp duty costs that may arise as a result of the above restructuring and transfer.** |
| | xviii | **<u>Non-Promoter Status</u>: The Promoter and the Company agree and acknowledge that each Investor is not a promoter of the Company as defined in applicable Law, and the Company shall, and the Promoter shall use his best efforts to cause the Company to, take all reasonable actions necessary to prevent any Investor from being deemed or named as a "promoter" in connection with an Indian IPO or otherwise or be subject to the restrictions on promoters specified in the SEBI guidelines or other applicable Law. For the avoidance of doubt, the parties agree and undertake that no Investor shall be required to offer or make available their shares in the Company for the purposes of any mandatory lock-in as applicable to 'promoters' under the SEBI guidelines or other applicable Law.** |
| | xx | **<u>Future Non-competition</u>: The Company shall (i) use its best efforts to insure that no person employed by the Company will wrongfully employ any confidential information or documentation proprietary to any former employer, (ii) protect, by maintenance of secrecy to the extent appropriate, all technical and business information developed by and belonging to the Company which has not been patented, (iii) cause to be patented all technological information developed by and belonging to the Company, which, in the opinion of the Company and its counsel, is patentable and is best protected by patenting and (iv) use its best efforts to own, possess and maintain all patents, trademarks, service marks, trade names, copyrights and licenses necessary or useful in the conduct of its business.** |
| | xxi | **<u>Maintenance of Corporate Existence</u>: Unless otherwise determined by the Board, each of the Company and its subsidiaries will preserve, renew and keep in full force and effect, its corporate existence, qualification in requisite jurisdictions and rights and privileges necessary or desirable in the normal conduct of its business.** |
| | xxii | **<u>U.S. Subpart F Income</u>: In the event that the Company becomes a controlled foreign corporation for U.S. federal tax purposes, the Company shall use its commercially reasonable effort to avoid triggering U.S. Subpart F income for its U.S. shareholders as defined by the U.S. Internal Revenue Code Section 951(b) and the U.S. Treasury Regulations thereunder.** |
| | a. | The Company shall not, without the written consent of all the Major Investors, issue or transfer securities in the Company to any Investor if following such issuance or transfer the Company, in the determination of counsel or accountants for Investor, would be a "Controlled Foreign Corporation" ("CFC") as defined in the U.S. Internal Revenue Code of 1986, as amended (or any successor thereto) (the "Code") with respect to the securities held by the Major Investors. No later than two (2) months following the end of each Company taxable year, the Company shall provide the following information to the Major Investors: (i) the Company's capitalization table as of the end of the last day of such taxable year; and (ii) a report regarding the Company's status as a CFC. In addition, the Company shall provide the Major Investors with access to such other Company information as may be required by the Major Investors to determine the Company's status as a CFC to determine whether the Major Investors are required to report its pro rata portion of the Company's "Subpart F income" (as defined in Section 952 of the Code) on its United States federal income tax return, or to allow the Major Investors to otherwise comply with applicable United States federal income tax laws. The Company shall make due inquiry with its tax advisors on at least an annual basis regarding its status as a CFC and regarding whether any portion of the Company's income is Subpart F income. In the event that Company is determined by the Company's tax advisors or by counsel or accountants for the Major Investors to be a CFC with respect to the securities held by the Major Investors, the Company agrees to use commercially reasonable efforts to avoid generating Subpart F income. In the event that Company is determined by counsel or accountants for the Major Investors to be a CFC with respect to the securities held by the Major Investors, Company agrees, to the extent permitted by Law, to annually make dividend distributions to the Major Investors in an amount equal to 50% of any income deemed distributed to the Major Investors pursuant to Section 951(a) of the Code. |
| | b. | The Company will not be at any time during the calendar year in which the Closing occurs a "passive foreign investment company" within the meaning of Section 1297 of Code (a "PFIC"). The Company shall use its best efforts to avoid being a Code (a "PFIC"). The Company shall make due inquiry with its tax advisors on at least an annual basis regarding its status as a PFIC, and if the Company is informed by its tax advisors that it has become a PFIC, or that there is a likelihood of the Company being classified as a PFIC for any taxable year, the Company shall promptly notify the Major Investors of such status or risk, as the case may be. In connection with a "Qualified Electing Fund" election made by any of the Major Investors pursuant to Section 1295 of the Code or a "Protective Statement" filed by any of the Major Investors pursuant to Treasury Regulation Section 1.1295-3, as |

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| | | amended (or any successor thereto), the Company shall provide annual financial information to the Major Investors in the form provided in the attached PFIC Exhibit (attached hereto as Exhibit E) as soon as reasonably practicable following the end of each taxable year of the respective Major Investor (but in no event later than 90 days following the end of each such taxable year), and shall provide the Major Investors with access to such other Company information as may be required for purposes of filing U.S. federal income tax returns in connection with such Qualified Electing Fund election or Protective Statement. In the event that any of the Major Investors has made a "Qualified Electing Fund" election must include in its gross income for a particular taxable year its pro rata share of the Company's earnings and profits pursuant to Section 1293 of the Code, the Company agrees to make a dividend distribution to the respective Major Investor (no later than 90 days following the end of such Major Investor's taxable year or, if later, 90 days after the Company is informed by such Major Investor that such Major Investor has been required to recognize such an income inclusion) in an amount equal to 50% of the amount so included by such Major Investor. |
| | xxiii | **<u>Change in Control Transactions</u>: In the event of a Change in Control transaction to which the Company or any Shareholder is a party in which any Shareholder is to receive cash, stock or other consideration in exchange for such Shareholder's Equity Shares or Investor Preferred Shares, the terms of such Change in Control transaction shall provide that all Investors shall have the right to tender their Investor Shares for the consideration issuable to any Shareholder in such Change in Control transaction.** |
| 11 | | RESTRICTIONS ON TRANSFER |
| | i. | **<u>General Restrictions on Transfer</u>: The holder of each Equity Share or Investor Preferred Shares by acceptance thereof agrees to comply in all respects with the provisions of these Articles. Each Shareholder agrees not to make any Transfer of all or any portion of the Equity Shares or Investor Preferred Shares, or any beneficial interest therein, unless and until the transferee thereof has signed the Deed of Adherence to the Shareholders Agreement and thereby agreed to take and hold such Equity Shares or Investor Preferred Shares subject to, and to be bound by, the terms and conditions set forth in the Agreement. Provided that every transferee shall procure and provide to the Company a legal opinion stating with customary qualifications or assumptions that the transfer is not in conflict with its charter documents, applicable law and its other obligations under this Agreement and the necessary Consents have been procured for the same. Reasonable legal or advisory costs incurred by the Company solely in respect of the abovementioned Transfer, shall be borne equally by the respective transferor(s), transferee(s) and the Company.** |
| | ii. | **<u>Restrictions on Transfers of Promoter Shares</u>: Before a Promoter may Transfer any Promoter Shares, that Promoter must comply with the provisions of Articles 12, 13 and 19 (to the extent applicable). Notwithstanding anything to the contrary herein, it is hereby clarified that the rights under Articles 12 ii. and 12 iii. shall only be applicable to the Major Investors.** |
| | iii | **<u>Notice of Proposed Transfer of Promoter Shares</u>: Before a Promoter Transfers any of its Promoter Shares, Promoter shall simultaneously deliver to the Major Investors a written notice of share transfer (the "Promoter Transfer Notice"), stating: (i) Promoter's bona fide intention to sell or otherwise Transfer such Promoter Shares; (ii) the name, address and phone number of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the aggregate number of Promoter Shares proposed to be Transferred to each Proposed Transferee (the "Promoter Offered Shares"); (iv) the bona fide cash price or, in reasonable detail, other consideration and terms and conditions at which the Promoter proposes to Transfer the Offered Shares (the "Promoter Offered Price"); and (v) each Major Investor's right to exercise either its Right of First Refusal or its Right of Co-Sale with respect to the Promoter Offered Shares.** |
| | iv. | **<u>Notice of Proposed Transfer of Investor Shares:</u> Before an Investor Transfers any of its Investor Shares, the Investor (the "Transferor Investor") shall simultaneously deliver to the other Investors (provided that the Major Investors shall not be required to make such offer to a Minority Investor) a written notice of share transfer (the "Investor Transfer Notice"), stating: (i) such Investor's bona fide intention to sell or otherwise Transfer such Investor Shares; (ii) the name, address and phone number of the Proposed Transferee; (iii) the aggregate number of Investor Shares proposed to be Transferred to each Proposed Transferee (the "Investor Offered Shares"); (iv) the bona fide cash price or, in reasonable detail, other consideration and terms and conditions at which the Investor proposes to Transfer the Investor Offered Shares (the "Investor Offered Price"); and (v) each other Investor's right to exercise its Right of First Refusal with respect to the Investor Offered Shares.** |
| | v. | **<u>Termination</u>: The rights and obligations granted pursuant to this Article 12 shall terminate immediately following the occurrence of a Liquidity Event.** |
| 13. | | RIGHT OF CO-SALE |
| | i. | **Exercise by the Investors:** |
| | a. | <u>Co-Sale Eligible Investors</u>: Subject to the limitations of this Article 14 i. a), to the extent that the Major Investors do not exercise their respective Rights of First Refusal pursuant to Article 13, each Major Investor who has not exercised its Right of First Refusal pursuant to Article 13 I. and 13 ii. (a |

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| | | "Co-Sale Eligible Investor") shall have the right to participate in such sale of the Promoter Offered Shares which are not being purchased by the Major Investors pursuant to their Rights of First Refusal ("Residual Shares") on the same terms and conditions as specified in the Promoter Transfer Notice. To exercise its rights hereunder, each Co-Sale Eligible Investor (a "Selling Investor") must have provided a written notice to the Promoter within the Initial Exercise Period indicating the number of shares it holds that it wishes to sell pursuant to these Articles. |
| | b. | Pro Rata Co-Sale: If the aggregate number of shares that the Selling Investors desire to sell (as evidenced by written notices delivered to the Promoter) exceeds the number of Residual Shares, each Selling Investor will be entitled to sell up to its pro rata share of the Residual Shares which shall be equal to that number of Residual Shares equal to the product obtained by multiplying (x) the number of Residual Shares by (y) a fraction, (i) the numerator of which shall be the number of Equity Shares (on a Fully Diluted Basis) held on the date of the Transfer Notice by such Selling Investor and (ii) the denominator of which shall be the number of Equity Shares (on a Fully Diluted Basis) held on the date of the Transfer Notice by the Promoter and the Selling Investors ("Pro Rata Co-Sale Share"). |
| | c. | Co-Sale Confirmation Notice: Within fifteen (15) calendar days after the expiration of the Initial Exercise Period, the Promoter will give written notice to each Selling Investor specifying the number of Residual Shares to be sold by each Selling Investor exercising its Right of Co-Sale (the "Co-Sale Confirmation Notice"). The Co-Sale Confirmation Notice shall also specify the number of Residual Shares not purchased by the Selling Investors, if any, pursuant to Article 14 (the "Unsubscribed Residual Shares") and shall list each Participating Co-Sale Investor's Subsequent Pro Rata Co-Sale Share of any such Unsubscribed Residual Shares. |
| | ii. | **Subsequent Election to Sell by the Selling Investors: To the extent that there remain any Unsubscribed Residual Shares, each Selling Investor electing to exercise its right to sell at least its full Pro Rata Co-Sale Share of the Residual Shares under these Articles (a "Participating Co-Sale Investor") shall have a right to sell all or any part of the Unsubscribed Residual Shares; provided, however, that to the extent the aggregate number of additional shares that the Participating Co-Sale Investors desire to sell (as evidenced in written notices delivered to the Promoter) exceeds the Unsubscribed Residual Shares, each Participating Co-Sale Investor so exercising (an "Electing Participating Co-Sale Investor") will be entitled to sell that number of the Unsubscribed Residual Shares equal to the product obtained by multiplying (x) the number of Unsubscribed Residual Shares by (y) a fraction, (i) the numerator of which shall be the number of Equity Shares (on a Fully Diluted Basis) held by such Electing Participating Co-Sale Investor on the date of the Transfer Notice and (ii) the denominator of which shall be the number of Equity Shares (on a Fully Diluted Basis) held on the date of the Transfer Notice by all Participating Co-Sale Investors ("Subsequent Pro Rata Co-Sale Share"). In order to exercise its rights hereunder, such Electing Participating Co-Sale Investor must provide written notice to the Promoter with a copy to each Major Investor within fifteen (15) calendar days after expiration of the Initial Exercise Period (the "Subsequent Co-Sale Period").** |
| | iii. | **Closing; Consummation of the Co-Sale: Subject to compliance with applicable securities Laws, the sale of the Residual Shares by the Selling Investors shall occur within ten (10) calendar days after the later of (i) delivery of the Co-Sale Confirmation Notice and (ii) expiration of the Subsequent Co-Sale Period (the "Co-Sale Closing"). If a Selling Investor exercised the Right of Co-Sale in accordance with this Article 14, then such Selling Investor shall deliver to the Promoter at or before the Co-Sale Closing, one or more certificates, properly endorsed for Transfer, representing the number of Residual Shares to which the Selling Investor is entitled to sell pursuant to this Article 14. At the Co-Sale Closing, the Promoter shall cause such certificates or other instruments to be Transferred and delivered to the Transferee pursuant to the terms and conditions specified in the Transfer Notice, and the Promoter will remit, or will cause to be remitted, to each Selling Investor, at the Co-Sale Closing, that portion of the proceeds of the Transfer to which each Selling Investor is entitled because of each Selling Investor's participation in such Transfer pursuant to the Right of Co-Sale.** |
| | iv. | **Multiple Series, Class or Type of Stock: If the Offered Shares consist of more than one series, class or type of security, the Promoter must Transfer hereunder each such series, class or type; provided, however, that if, as to the Right of Co-Sale, a Selling Investor does not hold any of such series, class or type and the Proposed Transferee is not willing, at the Co-Sale Closing, to purchase some other series, class or type of security from such Selling Investor, or is unwilling to purchase any security from such Selling Investor at the Co-Sale Closing, then such Selling Investor will have the put right (the "Put Right") set forth these Articles.** |
| | v. | **Promoter's Right To Transfer: If any of the Promoter Offered Shares remain available after the exercise of all Rights of First Refusal and all Rights of Co-Sale, then the Promoter shall be free to Transfer, subject to Article 15, any such remaining shares to the Proposed Transferee at the Promoter Offered Price or a higher price in accordance with the terms set forth in the Transfer Notice; provided, however, that if the Promoter Offered Shares are not so Transferred during the one hundred and twenty (120) day period following the deemed delivery of the Promoter Transfer Notice, then Promoter may not Transfer any of such remaining Promoter Offered Shares without complying again in full with the provisions of these Articles.** |

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| | vi. | **<u>Termination of Rights of Co-Sale</u>: The Right of Co-Sale granted under this Article 14 shall terminate immediately after the occurrence of a Liquidity Event.** |
| | vii. | **<u>Permitted Transfers</u>: The Right of Co-Sale granted under these Articles shall not apply to Permitted Transfers.** |
| | viii. | **It is hereby clarified for avoidance of doubt that the rights under this Article 14 shall only be applicable to the Major Investors.** |
| 14. | | Right of First Refusal for Investor Shares |
| | i. | **Initial Exercise by the Investors: Subject to the provisions of Article 12(v) hereof, the following shall apply:** |
| | a. | <u>Initial Exercise Period</u>: For a period of thirty (30) calendar days after receipt of the Investor Transfer Notice (the "Initial Exercise Period"), each of the other Investors (other than the Minority Investors) shall have the right (but not the obligation) to purchase all or any of the Investor Offered Shares on the terms and conditions set forth in this Article 15. To exercise its rights hereunder, such Investor must provide written notice to the Transferor Investor with a copy to the other Investors within the Initial Exercise Period. |
| | b. | <u>Pro Rata Investor Offered Shares</u>: To the extent the aggregate number of Investor Offered Shares that the Investors (other than the Minority Investors) desire to purchase (as evidenced in the written notices delivered to the Transferor Investor) exceeds the Investor Offered Shares, each Investor so exercising will be entitled to purchase its pro rata share of the Investor Offered Shares, which shall be equal to that number of the Investor Offered Shares equal to the product obtained by multiplying (x) the number of Investor Offered Shares by (y) a fraction, (i) the numerator of which shall be the number of Investor Shares held by such Investor on the date of the Transfer Notice and (ii) the denominator of which shall be the number of Investor Shares held on the date of the Transfer Notice by all Investors ("Pro Rata Investor Offered Shares"). |
| | c. | <u>Remainder Shares</u>: Within fifteen (15) calendar days after the expiration of the Initial Exercise Period, the Transferor Investor will give written notice to each Investor specifying the number of Investor Offered Shares to be purchased by each Investor exercising its Right of First Refusal (the "Investor ROFR Confirmation Notice"). The Investor ROFR Confirmation Notice shall also specify the number of Investor Offered Shares not purchased by the Investors, if any, hereunder ("Remainder Investor Shares") and shall list each Participating Party's Subsequent Pro Rata Investor Offered Share of any such Remainder Investor Shares. |
| | ii. | **<u>Subsequent Exercise by the Investors and the Promoter</u>: To the extent that there remain any Remainder Investor Shares, each Investor electing to exercise its right to purchase at least its full Pro Rata Investor Offered Share of the Investor Offered Shares under these Articles "Participating Party") shall have a right to purchase all of the Remainder Investor Shares; provided, however, that to the extent the aggregate number of shares that the Participating Parties desire to purchase (as evidenced in written notices delivered to the Transferor Investor) exceeds the remaining Remainder Investor Shares, each Participating Party so exercising (an "Electing Participating Party") will be entitled to purchase that number of the Remainder Investor Shares equal to the product obtained by multiplying (x) the number of Remainder Investor Shares by (y) a fraction, (i) the numerator of which shall be the number of Investor Shares held on the date of the Transfer Notice by such Electing Participating Party and (ii) the denominator of which shall be the number of Investor Shares held on the date of the Transfer Notice by all Electing Participating Parties ("Subsequent Pro Rata Investor Offered Share"); provided, however, that if any Electing Participating Party does not request to purchase its full Subsequent Pro Rata Investor Offered Share, the remaining portion of its allocation shall be reallocated among those Electing Participating Parties whose Subsequent Pro Rata Investor Offered Share allocations did not satisfy their requests, pro rata, as described above, and this procedure shall be repeated until each Electing Participating Party's request has been fulfilled or all of the Investor Offered Shares have been so allocated. In order to exercise its rights hereunder, such Electing Participating Party must provide written notice to the Transferor with a copy to each Investor and the Promoter within thirty (30) calendar days after the expiration of the Initial Exercise Period (the "Subsequent Exercise Period"). If any Remainder Investor Shares remain as Remainder Investor Shares and are not so allocated among the Electing Participating Parties, then the Remainder Investor Shares shall not be subject to the Right of First Refusal.** |
| | iii. | **<u>Purchase Price</u>: The purchase price for the Investor Offered Shares to be purchased by an Investor or a Promoter exercising its Right of First Refusal under these Articles will be the Investor Offered Price, and will be payable as set forth in Article 15 iv. If the Investor Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by a Big Four Accounting Firm in good faith, which determination will be binding upon each Investor and the Promoter, absent fraud or error.** |
| | iv. | **<u>Closing</u>; Payment: Subject to compliance with applicable securities Laws, the Investors exercising their Rights of First Refusal shall effect the purchase of all or any portion of the Investor Offered Shares, including the payment of the purchase price, within ten (10) calendar days after the later of (i) delivery of the Investor ROFR Confirmation Notice and** |

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| | | **(iii) expiration of the Subsequent Exercise Period (the "Investor Right of First Refusal Closing"). Payment of the purchase price will be made, at the option of the party exercising its Right of First Refusal, (i) in cash (by check), (ii) by wire transfer, or (iii) by any combination of the foregoing. At such Investor Right of First Refusal Closing, the Transferor Investor shall deliver to the Investors exercising their Rights of First Refusal, one or more certificates, properly endorsed for transfer, representing such Investor Offered Shares so purchased.** |
| | v. | **<u>Termination of Rights of First Refusal</u>: The Right of First Refusal granted under these Articles shall terminate immediately following the occurrence of a Liquidity Event.** |
| | vi. | **<u>Permitted Transfers</u>: The Right of First Refusal granted under these Articles shall not apply to Permitted Transfers.** |
| | vii. | **It is hereby clarified for avoidance of doubt that the rights under these Articles shall only be applicable to the Major Investors.** |
| 15. | | Effect of Invalid Transfer Of Promoter Shares or Investor Shares |
| | i. | **<u>Generally</u>: Any attempt by any Promoter or any Investor to Transfer any Promoter Shares or Investor Shares, as applicable, in violation of any provision of these Articles will be void. No securities shall be transferred by an Investor or Promoter unless (i) such Transfer is made in compliance with all of the terms of these Articles and all applicable securities Laws and (ii) before such Transfer, the transferee or transferees sign a counterpart to these Articles pursuant to which it or they agree to be bound by the terms of these Articles. The Company will not be required to (i) transfer on its books any shares that have been sold, gifted or otherwise Transferred in violation of any provisions of these Articles or (ii) to treat as owner of such shares, or accord the right to vote or pay dividends to any purchaser, donee or other transferee to whom such shares may have been so Transferred.** |
| | ii. | **<u>Prohibited Transfer Put Right</u>: If a Promoter Transfers any Promoter Shares in contravention of the Right of Co-Sale under these Articles (a "Prohibited Transfer"), or if the Proposed Transferee of Offered Shares desires to purchase a class, series or type of stock offered by the Promoter but not held by an Investor, or the Proposed Transferee is unwilling to purchase any securities from a Selling Investor, such Selling Investor may, by delivery of written notice to such the Promoter (a "Put Right Notice") within ten (10) calendar days after the later of (i) the Co-Sale Closing and (ii) the date on which such Selling Investor becomes aware of the Prohibited Transfer or the terms thereof, require such Promoter to purchase from such Selling Investor that number of Investor Shares or Equity Shares that is equal to the number of Residual Shares such Selling Investor would have been entitled to Transfer to the purchaser (the "Put Right Shares"). Such sale shall be made on the following terms and conditions:** |
| | a. | <u>Price Per Share</u>: The price per share at which the Put Right Shares are to be sold to the Promoter shall be equal to the price per share that the Selling Investor would have received at the Co-Sale Closing of such Prohibited Transfer if such Selling Investor had sold such Put Right Shares at the Co-Sale Closing. Such purchase price of the Put Right Shares shall be paid in cash or such other consideration as the Promoter received in the Prohibited Transfer or at the Co-Sale Closing. The Promoter shall also reimburse the Selling Investor for any and all fees and expenses, including, but not limited to, legal fees and expenses, incurred pursuant to the exercise or attempted exercise of such Selling Investor's Rights of Co-Sale pursuant to Article 14 or in the exercise of its rights under this Article 16 with respect to the Put Right Shares. |
| | b. | <u>Class of Shares</u>: The Put Right Shares to be sold to the Promoter shall be of the same class or type as transferred in the Prohibited Transfer or at the Co-Sale Closing if such Selling Investor then owns securities of such class or type. If such Selling Investor does not own any of such class or type, the Put Right Shares shall be Equity Shares. |
| | c. | <u>Closing of Put Right Shares</u>: The closing of such sale to the Promoter will occur within ten (10) calendar days after the date of such Selling Investor's Put Right Notice to such Promoter. At such closing, the Selling Investor shall deliver to the Promoter the certificate or certificates representing the Put Right Shares to be sold, each certificate to be properly endorsed for transfer, and immediately upon receipt thereof, such Promoter shall pay the aggregate purchase price therefore, and the amount of reimbursable fees and expenses, as specified in these Articles. |
| 16 | | VOTING AGREEMENT |
| | i. | **<u>General Voting Agreement</u>: During the term of these Articles, the Voting Parties each agree to vote all shares of the Company's voting securities now or hereafter owned by them, whether beneficially or otherwise, or as to which they have voting power in accordance with the provisions of these Articles. For purposes of these Articles, all securities held by Affiliates (including venture capital funds) or Persons of a Voting Party shall be aggregated for purposes of determining the availability of rights hereunder.** |
| | ii. | **Election of Board of Directors:** |
| | a. | <u>Voting</u>: During the term of these Articles, each Voting Party agrees to vote all Equity Shares and all Investor Preferred Shares in such manner as may be necessary to elect (and maintain in office) as members of the Company's Board the following individuals:<br>i. The three (3) Investor Designees; |

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| | | ii. The three (3) Promoter Designees; and<br><br>iii. One (1) Independent Designee. |
| | b. | Designation of Directors: The designees to the Company's Board described above (each a "Designee") shall be selected as follows:<br><br>I. One "Investor Designee" shall be chosen by Canaan who shall be a director who will not be liable to retire by rotation (the "Canaan Director").<br><br>II. One "Investor Designee" shall be chosen by BVP Investor who shall be a director who will not be liable to retire by rotation (the "BVP Director").<br><br>III. One "Investor Designee" shall be chosen by Mayfield Investor who shall be a director who will not be liable to retire by rotation (the "Mayfield Director"). The Mayfield Investor and the Canaan Investor shall each be entitled to appoint an observer on the Board who may participate in discussions of matters brought before the Board, but shall in all other respects be a non-voting observer.<br><br>IV. The three "Promoter Designees" shall be chosen by Mr. Murugavel Janakiraman (the "Promoter Directors").<br><br>V. The single "Independent Designee" shall be an Independent member agreed upon between the Investors and the Promoters. For the purposes of these Articles, "Independent" means a Person that is not an affiliate of the Company or any Shareholder. It is agreed between the Parties that as of the Closing, Mr. K.B. Chandrashekar shall continue to be the initial Independent Designee. |
| | c. | Designees: As of the Closing, the Shareholders and the Company shall ensure that the following persons are directors of the Company and deemed Designees in accordance with sub article (ii)(b) above: (i) Alok Mittal as the Canaan Director, (ii) R.S. Chandra as the BVP Director, (iii) Nikhil Nirvan Khattau as the Mayfield Director, (iv) Murugavel Janakiraman and any two (2) persons nominated by him, as the Promoter Directors. |
| | d. | Exclusion of Directors: A Director may be excluded (upon the vote of a majority of the remaining board members) from portions of Board meetings, or from access to information provided to the Board, in the following circumstances: (i) the Board is to consider matters in which the interests of the Company and of Director or the Voting Party which designated such Director are in conflict and (ii) the Board is to consider matters in areas in which the Company and Voting Party which designated such Director are competitors. |
| | e. | Changes in Designees: Each of the BVP Investor, Canaan, Mayfield Investor and the Promoter shall have the right at any time, in their sole discretion, to require removal of any Director designated by it, which removal shall become effective upon such party giving written notice of removal to the Company and the other parties. To the extent required by applicable Law to give effect to such removal, upon such party giving written notice of removal to the Company and the other parties, the Shareholders will cause to be convened a general meeting and pass an ordinary resolution for the removal of such Director. |
| | f. | Size of Board: During the term of the Agreement, each Voting Party agrees to vote all Equity Shares and all Investor Preferred Shares to maintain the authorized number of members of the Board of the Company at seven (7) directors. |
| | g. | Vacancy: Any vote taken to fill any vacancy created by the resignation, death or other vacancy of a director elected pursuant to this Article 17, shall also be subject to the provisions of Article 17. |
| | h. | No Liability for Election of Recommended Director: None of the parties hereto and no officer, director, stockholder, partner, employee or agent of any party makes any representation or warranty as to the fitness or competence of the nominee of any party hereunder to serve on the Board because of such party's execution of the Agreement or by the act of such party in voting for such nominee pursuant to these Articles. |
| | i. | Alternate Directors: Each Party shall be entitled to nominate an alternate Director for each of the Directors it is entitled to nominate, and such alternate Directors will serve in the absence of the original Directors. Any such appointment as alternate Director shall take place as the first item of business at the Board meeting next following receipt by the Company of such nomination. Upon his appointment as such alternate Director, an alternate Director shall be entitled to constitute the quorum, vote, issue consent and sign a written resolution on behalf of the Director for whom he is an alternate. The Investors shall be entitled to remove the Investor Directors nominated by it, including any alternate Director nominated by it, by notice to such Director and the Company. Any vacancy occurring with respect to the position of the Investor Director, by reason of death, disqualification, resignation, removal or the inability to act, shall be filled only by another nominee specified by the Investor. The Promoters shall be entitled to remove the Promoter Directors nominated by them, including any alternate Director nominated by them, by notice to such Director and the Company. |

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| | | Any vacancy occurring with respect to the position of the Promoter Directors, by reason of death, disqualification, resignation, removal or the inability to act, shall be filled only by another nominee specified by the Promoters. |
| | iii. | **Board Meetings:** |
| | a. | Subject to applicable Law, a meeting of the Board shall be held at least once in every three calendar months and at least four such meetings shall be held in each calendar year. The meetings may be held at any place in or outside India or by way of teleconference, video conference or through any other medium as may be permitted under the Act. The Directors may meet together for the discharge of the business, adjourn and otherwise regulate their meetings and proceedings, as they think fit. |
| | b. | Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director and also to every Director out of India at his usual address at least 14 (fourteen) clear days prior to the meeting. |
| | c. | Any matter arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall not have a second or casting vote. |
| | d. | Every Director shall be entitled to participate at a meeting of the Board through audio or video conferencing, including the right to speak at such meeting, provided that unless applicable Law permits otherwise, such Director shall not be entitled to vote and his presence shall not be considered for the purpose of quorum. An original Director shall also be entitled to be present at a meeting of the Board through audio or video even though his alternate Director shall be present personally provided that such original Director shall only be allowed to instruct the alternate Director on speaking and voting at such meeting; provided, however, that if at any meeting of the Board, a Director is not personally present but participates through audio or video conferencing and his alternate Director is not present at such meeting, and such Director requests that a resolution being considered at the meeting not be passed at such meeting, then the Company shall not pass such resolution at the meeting of the Board and shall instead propose such resolution only as a circular resolution. |
| | e. | Every Director shall be entitled to reimbursement for reasonable expenses incurred on behalf of the Company, including, but not limited to business development, travelling, attendance of conferences and meetings and any expenses incurred by such Director in engaging in any business at the request of and on behalf of the Company. |
| | iv. | **Covenants of the Company: The Company agrees to use its best efforts to ensure that the rights given to the Voting Parties hereunder are effective and that the Voting Parties enjoy the benefits thereof. Such actions include, without limitations the use of the Company's best efforts to cause the nomination and election of the Designees as provided in Article 17(ii), to cause the size of the Board to remain as provided in Article 17(ii)(f), to enforce the terms of these Articles and to inform the Shareholders of any breach hereof (to the extent the Company has knowledge thereof). The Company will not, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all of the provisions of these Articles and in the taking of all such actions as may be necessary, appropriate or reasonably requested by the holders of a majority of the outstanding voting securities held by the Voting Parties assuming exercise and conversion of all outstanding securities in order to protect the rights of the parties hereunder against impairment and to assist the shareholders in the exercise of their rights and the performance of their obligations hereunder.** |
| | ix. | **Additional Shares:**<br>**If after the date of this Agreement any shares or other securities (other than pursuant to a Change in Control) are issued on, or in exchange for, any of the Investor Shares or Promoter Shares, as the case may be, because of any stock dividend, bonus issue, rights issue, stock split, consolidation of shares, reclassification or consolidation involving the Company, such shares or securities shall be deemed to be Investor Shares or Promoter Shares, as the case may be, for purposes of this Agreement.** |
| 17. | | Investor Protective Provisions |
| | i. | **Protective Provisions:** |
| | a. | Neither the Company nor any Shareholder shall approve or take any of the following actions or matters without having first received the approval of both of the Major Investors i.e. the Canaan Investor and the Mayfield Investor (excluding the BVP Investor) so long as both of them hold at least 3% of the share capital of the Company on a Fully Diluted Basis, in the form of an affirmative vote at a meeting of the Shareholders of the Company held for that purpose or, if applicable, in the form of an affirmative vote of both the Canaan Director and the Mayfield Director at a meeting of the Board or any Committee of the Board, held for that purpose or in any resolution passed if the matter, decision, action or resolution is proposed to be considered or passed by a resolution by circulation, such circulation: |
| | i. | Amendments to Corporate Documents: Any amendment to the Company's Memorandum or Restated Articles including any amendment authorizing or issuing any additional capital stock, equity security (including Equity Shares and Convertible Securities); |
| | ii. | Business Combination: Any Change in Control, merger, disinvestment, acquisitions, creation of subsidiaries, reconstitution, recapitalization, slump sale, consolidation, other corporate |

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| | | reorganization, sale, transfer or disposition or other business combination involving the Company and/or its subsidiaries of all or a material portion of the assets, including goodwill, grant of license, pledge, security interest or right to use all or a material portion of the assets of the Company or any of its subsidiaries; |
| | iii. | Purchase by the Company: An acquisition, merger with or into, slump sale, purchase or other similar transaction by the Company or any of its subsidiaries of another company, business or asset or the investment in debt or equity of another company by the Company or any of its subsidiaries; |
| | iv. | New Stock: The creation or issuance of any capital stock, equity security (including Equity Shares and Convertible Securities), decrease or other alteration or modification in the authorized number or shares and convertible securities or the reclassification of any existing security in any security having rights, preferences or privileges senior to or on parity with the Series A Preferred Shares, the Series B Preferred Shares and/or the Series C Preferred Shares; and determining the pricing and relevant market of an initial public offer; |
| | v. | Third Party Purchases: The subscription, purchase, or acquisition by any third party of any equity interest or securities convertible into an equity interest in the Company or any subsidiary of the Company; |
| | vi. | Transfer of Assets: The transfer of any material assets of the Company or any subsidiary to any company, entity, Person or other subsidiary, affiliate of the Company, parent company or other shareholder of the Company; or |
| | vii. | Board Changes: The increase or decrease of the authorized number of members on the Board; provided, however, that any decrease in the number of members of the Board that adversely affects the BVP Investor's right to nominate the BVP Director shall be effective only upon the prior written consent of the BVP Investor so long as the BVP Investor is otherwise entitled to nominate the BVP Director pursuant to these Articles. |
| | viii | Conversion of the Company from a private limited company to a limited company; |
| | ix | Change in Control of the Company; |
| | x. | Any action that will alter the rights and privileges of the Shareholders of the Company as set out in these Articles; |
| | xi. | Approval of annual accounts and annual operating budget for any financial year of the Company. Any amount greater than Rs. 5,000,000 will require an approval of the Investor; |
| | xii | Acquire or sell shares, securities, debentures and bonds in or of any other company or any joint ventures; |
| | xiii. | Remuneration and compensation paid to the Board of Directors, Chairman and Managing Director of the Company; |
| | xiv | Any decision of any Committee of the Board with respect to any of the foregoing; and |
| | xv | Any commitment or agreement to do any of the foregoing. |
| | b. | Neither the Company nor any Shareholder shall approve or take any of the following actions or matters without having first received the approval of all three (3) of the Mayfield Investor, the Canaan Investor and the BVP Investor, so long as any of them holds at least 3% of the share capital of the Company on a Fully Diluted Basis, in the form of an affirmative vote at a meeting of the Shareholders of the Company held for that purpose or, if applicable, in the form of an affirmative vote of all three (3) of the Investor Designees at a meeting of the Board or committee of the Board held for that purpose: |
| | i. | Change to Investor Shares: Any action, including any amendment to the Company's (including its Subsidiaries') Memorandum or Restated Articles or any other organisation documents, that changes or alters the rights, preferences or privileges of the Investor Shares held by the Investors or adversely affects the rights of the Investors or the Investor Shares; Provided, however, that the mere issuance or sale of securities senior to the Series A Preferred Shares and/ or the Series B Preferred Shares and/or the Series C Preferred Shares shall not be deemed to be an action covered by these Articles; |
| | ii. | Change to Company's Business: Any change in Business scope, commencement of any new line of business, any diversification into Business areas unrelated to its existing Business and/or acquisition, disposition or dilution of a substantial in any other business, company, partnership or sole proprietorship and/or material deviations in operating expenses from the mutually agreed business plan or adoption of any new business plan by the Company; Any material change in the scope of the business of the Company as of the Closing, provided, however, that this consent shall not be required for new lines of business so long as they are primarily offered on the internet or on mobile platforms, or in offline form so long as such offline businesses are intended to support the internet and mobile businesses of the Company; |
| | iii. | Dividends: The declaration of or payment of (or setting aside of a sinking fund for) any dividends or distributions on the capital stock of the Company; |
| | iv. | Buybacks: The buyback/redemption or purchase of any of the capital stock of the Company or any of its subsidiaries, except repurchases of employee Equity Shares upon termination of employment pursuant to agreements that were approved by the Board (including the Investor Directors), repurchases pursuant to these Articles or exercises of the Company's right of first refusal on proposed transfers; |
| | v. | Loans: Entering into loans to officers, directors or employees (except loans to non-officer or director |

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| | | employees made in accordance with an employee loan program approved by the Board) or third-parties outside of the ordinary course of business; |
| | vi | Borrowings: Borrowings by the Company in excess of Rs. 10,000,000; |
| | vii. | Related Party Transactions: Any related party or interested party transactions, except for existing contracts as of the date hereof that have been disclosed to the Investors in the schedule of exceptions to the Subscription Agreement; |
| | viii. | Liens: The creation or the obligation to create any security interest, contractual indemnity or similar obligation in favour of the Company, any affiliate of the Company, or any other related party, except for security interests in connection with bank loans made in the ordinary course of business and approved by the Board (including the Investor Directors); |
| | ix. | Liquidation: The bankruptcy, assignment for the benefit of creditors, acceleration of third party obligations, confession of judgment, liquidation, recapitalization, or reorganization of the Company or any of its subsidiaries; |
| | x. | New Stock: The creation or issuance of any capital stock, equity security (including Equity Shares and Convertible Securities), decrease or other alteration or modification in the authorized number or shares and convertible securities or the reclassification of any existing security; |
| | xi. | Any decision of any Committee of the Board with respect to any of the foregoing; and |
| | xii. | Any commitment or agreement to do any of the foregoing. |
| | c. | When the Company proposes to undertake any of the actions set out in Article 18(i) above, the Company shall call for a general meeting of the Shareholders by serving at least twenty-one (21) calendar days written notice in this regard to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the general meeting; provided always that a meeting may be convened by a shorter notice than twenty-one (21) calendar days with consent of all the Shareholders. The written notice shall specify and provide all the details of the action proposed to be undertaken as would reasonably enable each Shareholder to arrive at a decision with respect to such matter. |
| | d. | The provisions of this article shall mutatis mutandis apply to the subsidiaries of the Company. |
| | ii. | **Quorum: On the date of any general meeting called to consider any action or resolution regarding matters relating to the provisions set forth in above Article 18(i), quorum shall require and include the presence of both the Mayfield Investor representative and the Canaan Investor representative, in order to constitute a valid quorum for such general meeting (a "Valid Quorum") and regarding matters relating to provisions set forth in above article (b), a quorum shall require all Major Investors in order to constitute a Valid Quorum; and regarding matters other than those relating to the provisions set forth in Article 18, a quorum shall require and include the presence of at least two of the Major Investor Representatives. If, on the date of the general meeting, a Valid Quorum is not present, the general meeting shall automatically stand adjourned to the same day and time and at the same venue in the following week. A failure to constitute a Valid Quorum in any adjourned general meeting shall not serve to enable the Company to take such actions or resolutions in such adjourned or any subsequent general meetings without a Valid Quorum.** |
| 19. | | NOMINATION BY NON-RESIDENT INVESTORS:<br>Notwithstanding anything contained in these Articles, the parties to the Agreement hereby agree that every non-resident Investor may, in relation to the exercise by such non-resident Investor of any right or option to require the transfer or issuance of Investor Shares to itself in terms of these Articles, exercise such right or option by requiring that such Investor Shares be transferred to such person(s) resident in India ("Nominee") as may be designated by the non-resident Investor provided that: |
| | i. | **the prior written consent of the Company is obtained for such transfer/issue of Investor Shares to the Nominee (such consent not to be unreasonably withheld); and** |
| | ii. | **the Nominee becomes a party to the Agreement by signing counterpart signature pages hereto;** |
| | iii. | **It is hereby provided for avoidance of doubt that the Investor Shares held by the Mayfield Investor or the Canaan Investor, may be transferred by the Mayfield Investor or the Canaan Investor to any present or future Affiliate of the Mayfield Investor or the Canaan Investor (as the case may be), subsequent to the Closing Date, subject howsoever, to such Affiliate of the Mayfield Investor or the Canaan Investor (as the case may be) agreeing to be bound by the terms of the Agreement by executing a Deed of Adherence in a form satisfactory to the Company.** |
| 20. | | VALUATION OF SHARES:<br><br>Any information (including projections and future estimates) provided by or on behalf of the Company or any subsidiary of the Company to any Person for the valuation of the Shares of such company, whether required to be determined under applicable Law or otherwise, shall be as approved by the Investors in writing. The valuation of Shares of the Company and/or any subsidiary of the Company shall always be conducted by a valuer acceptable to the Investor and whose costs shall be borne by the Company. |

## SECTION IX – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Draft Red Herring Prospectus until the Bid Closing Date.

***Material Contracts to the Offer***

1. Offer Agreement among our Company, the Selling Shareholders and the BRLMs dated May 5, 2017.

2. Agreement among our Company, the Selling Shareholders and Registrar to the Offer dated May 5, 2017.

3. Share Escrow Agreement dated [●] among our Company, the Selling Shareholders and the Registrar to the Offer.

4. Escrow Agreement dated [•] among our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Banks, the Registrar to the Offer and the Syndicate Members.

5. Syndicate Agreement dated [•] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

6. Underwriting Agreement dated [•] among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

7. Agreement dated January 8, 2015 among NSDL, our Company and the Registrar to the Offer.

8. Agreement dated November 25, 2014 among CDSL, our Company and the Registrar to the Offer.

***Material Documents***

1. Our Memorandum and Articles of Association, as amended from time to time.

2. Our certification of incorporation dated July 13, 2001, fresh certificates of incorporation dated December 15, 2003, September 27, 2007 and August 17, 2012 consequent to change of our name and fresh certificate of incorporation dated January 2, 2015 consequent to conversion into a public company.

3. Amended and restated shareholders' agreement dated September 28, 2011.

4. Amendment agreement dated December 17, 2014 between Murugavel Janakiraman, Indrani Janakiraman and the Investors.

5. First amendment to the Amendment Agreement dated August 9, 2016

6. Second amendment to the Amendment Agreement dated April 28, 2017.

7. Deed of adherence dated March 19, 2015 between our Company, Murugavel Janakiraman, Indrani Janakiraman, CMDB II and the Investors

8. Deed of adherence dated August 6, 2016 between our Company, Murugavel Janakiraman, Indrani Janakiraman, Mohamed Farook, CMDB II, Mayfield XII, Mauritius, Draper Investment Company, LLC and Bessemer India Capital Holdings II Ltd.

9. Settlement agreement dated December 30, 2015

10. Inter-se agreement dated December 21, 2015

11. First amendment to the inter-se agreement dated April 28, 2017

12. Corporate guarantee dated March 21, 2016 executed by our Company

13. Business license agreement dated December 15, 2015

14. Stock Purchase Agreement dated September 12, 2011.

15. Resolution of the Board of Directors dated April 21, 2017 authorising the Fresh Issue, subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

16. Resolution of the Shareholders dated April 27, 2017 under section 62(1)(c) of the Companies Act, 2013 authorising the Fresh Issue.

17. Resolution of the IPO Committee dated May 5, 2017, approving this Draft Red Herring Prospectus and taking on record the Offer for Sale by the Selling Shareholders.

18. Resolutions of the board of directors of Bessemer India Capital Holdings II Ltd., Mayfield XII, Mauritius and CMDB II, respectively dated May 5, 2017, April 28, 2017 and May 4, 2017, respectively approving the Offer for Sale and letters from Murugavel Janakiraman and Indrani Janakiraman each dated May 4, 2017.

19. Reports of the Statutory Auditor dated April 29, 2017 on the Financial Statements appearing at pages 202 and 266.

20. Statement of Tax Benefits from the Statutory Auditor dated May 1, 2017.

21. Copies of annual reports of our Company for the previous five fiscal years.

22. Consents of our Selling Shareholders, Bankers to our Company, the BRLMs, Syndicate Members, Statutory Auditors, Registrar to the Offer, Escrow Collection Bank(s), Directors of our Company, Company Secretary, Compliance Officer, Chief Financial Officer, legal counsels, as referred to, in their respective capacities.

23. Certificate dated May 5, 2017 from Kumar Bagri & Associates, Chartered Accountants certifying that the overdraft facilities proposed to be repaid by our Company from the Net Proceeds have been utilized by us in accordance with the terms and conditions of their sanction.

24. In-principle listing approval dated [●] received from the BSE.

25. In-principle listing approval dated [●] received from the NSE.

26. Due diligence certificate dated May 5, 2017 to SEBI from the BRLMs.

27. Copies of resolutions in relation to the appointment of our Managing Director.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

## DECLARATION

### 1. DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956 (to the extent applicable), the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956 (to the extent applicable), the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY**

| | |
|---|---|
| Chinni Krishnan Ranganathan<br><br>*Non-executive Chairman and independent Director* | |
| Murugavel Janakiraman<br><br>*Managing Director* | |
| Deepa Murugavel<br><br>*Non-executive Director* | |
| Nikhil Nirvan Khattau<br><br>*Nominee non-executive Director* | |
| Vishal Vijay Gupta<br><br>*Nominee non-executive Director* | |
| Avneet Singh Kochar<br><br>*Nominee non-executive Director* | |
| George Zacharias<br><br>*Non-executive independent Director* | |
| Milind Shripad Sarwate<br><br>*Non-executive independent Director* | |

Date: May 5, 2017
Place: Chennai

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

| | |
|---|---|
| ***K Balasubramanian***<br><br>*Chief Financial Officer* | |

Date: May 5, 2017
Place: Chennai

## 2. DECLARATION BY BESSEMER INDIA CAPITAL HOLDINGS II LTD.

We, Bessemer India Capital Holdings II Ltd. certify that all statements made by us in this Draft Red Herring Prospectus in relation to ourselves or in connection with the Equity Shares offered by us in the Offer for Sale in this Draft Red Herring Prospectus, are true and correct and we assume no responsibility for any other statements in this Draft Red Herring Prospectus made by or in relation to the Company or other Selling Shareholders.

**SIGNED ON BEHALF OF BESSEMER INDIA CAPITAL HOLDINGS II LTD.**

Name: Kooshal Ashley Torul
Designation: Director / Authorised Signatory

Date: May 5, 2017

## 3. DECLARATION BY MAYFIELD XII, MAURITIUS

We, Mayfield XII, Mauritius certify that all statements made by us in this Draft Red Herring Prospectus in relation to ourselves or in connection with the Equity Shares offered by us in the Offer for Sale in this Draft Red Herring Prospectus, are true and correct and we assume no responsibility for any other statements in this Draft Red Herring Prospectus made by or in relation to the Company or other Selling Shareholders.

**SIGNED ON BEHALF OF MAYFIELD XII, MAURITIUS**

Name: Kooshal Ashley Torual
Designation: Director

Date: May 5, 2017

## 4. DECLARATION BY CMDB II

We, CMDB II certify that all statements made by us in this Draft Red Herring Prospectus in relation to ourselves or in connection with the Equity Shares offered by us in the Offer for Sale in this Draft Red Herring Prospectus, are true and correct and we assume no responsibility for any other statements in this Draft Red Herring Prospectus made by or in relation to the Company or other Selling Shareholders.

**SIGNED ON BEHALF OF CMDB II**

Name: Veekesh Munusami
Designation: Director

Date: May 5, 2017

## 5. DECLARATION BY MURUGAVEL JANAKIRAMAN

I, Murugavel Janakiraman, certify that all statements made by me in this Draft Red Herring Prospectus in relation to myself or in connection with the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus, are true and correct and I assume no responsibility for any other statements in this Draft Red Herring Prospectus made by or in relation to the Company or other Selling Shareholders.

**SIGNED BY MURUGAVEL JANAKIRAMAN**

Name: Murugavel Janakiraman

Date: May 5, 2017

## 6. DECLARATION BY INDRANI JANAKIRAMAN

I, Indrani Janakiraman, certify that all statements made by me in this Draft Red Herring Prospectus in relation to myself or in connection with the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus, are true and correct and I assume no responsibility for any other statements in this Draft Red Herring Prospectus made by or in relation to the Company or other Selling Shareholders.

**SIGNED BY INDRANI JANAKIRAMAN**

Name: Indrani Janakiraman

Date: May 5, 2017