

MANOHAR CHOWDHRY & ASSOCIATES

CHARTERED ACCOUNTANTS

27, Subramaniam Street,
Abiramapuram, Chennai 600 018.
India.

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Members of **BHARAT MATRIMONY LLC**

Report on the Financial Statements

We have audited the attached Balance sheet of **Bharat Matrimony LLC** ("the Company") as at 30th June, 2016, related Statement of Profit and Loss and Cash Flow statement for the Quarter ended on the date annexed there to and a summary of accounting policies and other explanatory information. These financial statements have been prepared by the Company's management as per the Generally Accepted Accounting Principles adopted in India for the purpose of consolidating the Company's financials with that of holding company.

Management's Responsibility for the Financial Statements

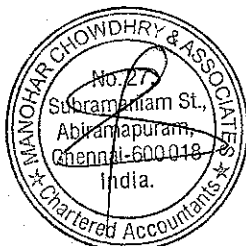
Management is responsible for the preparation of these Financial Statements that give a true and fair view of the state of affairs, results of operations and cash flows of the company in accordance with the Generally Accepted Accounting Principles adopted in India; this includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of



Chennai ♦ Bengaluru ♦ Dubai ♦ Hyderabad ♦ Mumbai ♦ Coimbatore
Gurgaon ♦ Kochi ♦ Madurai ♦ Mangaluru ♦ Vizag ♦ Vijayawada

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the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

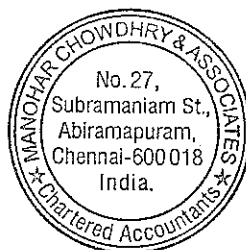
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view of the state of the affairs of the Company as at 30th June, 2016, and of its results of operations and its cash flows for the Quarter then ended in accordance with the Generally Accepted Accounting Principles adopted in India.

Basis of accounting

Without qualifying our opinion, we draw attention to Note 1.1 to the financial statements, stating that the management has decided to liquidate the company during the year ended 2016. Accordingly, the Company has applied and obtained for the 'Trade License Cancellation Certificate' dated 25th April, 2016, from the Department of Economic Development which states cancellation and termination from the commercial register. Accordingly, the Company has followed liquidation basis of accounting to record the assets and liabilities at the balance sheet date. The financial statements are prepared as per the Generally Accepted Accounting Principles adopted in India to assist the company to meet the requirement of consolidating the Company's financials with that of holding company. As a result, the financial statements may not be suitable for any other purpose.

Place: Chennai
Date: July 11, 2016

For Manohar Chowdhry & Associates
Chartered Accountants
Firm Registration No: 001997S



A handwritten signature in black ink, appearing to read "M.S.N.M. Santosh".

M.S.N.M. Santosh
Partner
Membership no: 221916

BHARATMATRIMONY (L.L.C)
M03, NBQ Building, Khalid Bin Al Waleed Street, Dubai, UAE
BALANCE SHEET AS ON 30.06.2016

Amount in Rs.

Particulars	Note No.	As on 30.06.2016	As on 31.03.2016
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	-	3,635,280
(b) Reserves and Surplus	3	-	3,848,718
(2) Current liabilities			
(a) Trade payables	4		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	69,302
Total		-	7,553,300
ASSETS			
(1) Non-current assets			
(a) Long term loans & advances	5	-	54,090
(2) Current assets			
(a) Trade receivables	6	-	7,493,835
(b) Cash and Bank Balance	7	-	5,375
Total		-	7,553,300
Significant Accounting Policies	1		
Notes on Financial Statements	2-14		

As per our report of even date

For M/s MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants



M.S.N.M. Santosh
Partner
M.No.: 221916

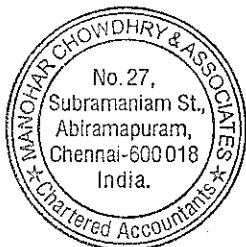
Place : Chennai
Date : July 11, 2016

For BHARATMATRIMONY (L.L.C)



Murugavel Janakiraman
Manager

Place : Chennai
Date : July 11, 2016

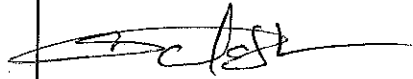


BHARATMATRIMONY (L.L.C)
M03, NBQ Building, Khalid Bin Al Waleed Street, Dubai, UAE
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30.06.2016

Amount in Rs.			
Particulars	Note No.	For the period ended 30.06.2016	For the period ended 30.06.2015
(I) Revenue from operations	8	-	4,744,693
(II) Total revenue		-	4,744,693
(III) Expenses			
(a) Employee benefits expense	9	-	3,415,626
(b) Depreciation and Amortisation expense	10	-	-
(c) Other expenses	11	(115,511)	1,014,755
Total expenses		(115,511)	4,430,381
(IV) Profit before tax (II- III)		115,511	314,312
(V) Tax expense			
(a) Current tax		-	-
(VI) Profit (Loss) for the period (IV - V)		115,511	314,312
Significant Accounting Policies	1		
Notes on Financial Statements	2-14		

As per our report of even date

For M/s MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants



M.S.N.M. Santosh
Partner
M.No.: 221916

Place : Chennai
Date : July 11, 2016

For BHARATMATRIMONY (L.L.C)



Murugavel Janakiraman
Manager

Place : Chennai
Date : July 11, 2016



BHARATMATRIMONY (L.L.C)
M03, NBQ Building, Khalid Bin Al Waleed Street, Dubai, UAE
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30.06.2016

Amount in Rs.

Particulars	For the period ended 30.06.2016		For the year ended 31.03.2016	
A Cash Flow From Operating Activities				
Net Profit Before tax And Extraordinary Items		115,511		702,686
<u>Adjustments for :</u>				
Loss on Sale of Assets	-		167,908	
Adjustment to accumulated depreciation	-		-	
Depreciation & Amortization	-		64,495	232,403
Operating Profit Before Working Capital Changes		115,511		935,089
<u>Adjustments For</u>				
(Increase) / Decrease In Trade Receivables	7,493,835		(1,269,809)	
(Increase) / Decrease In Other Current Assets	54,090		1,584,746	
Increase / (Decrease) In Liabilities	(69,302)	7,478,623	(3,358,902)	(3,043,965)
Cash Generated From Operations		7,594,134		(2,108,876)
Taxes Paid		-		-
Net Cash Flow From Operating Activities		7,594,134		(2,108,876)
B Cash Flow From Investing Activities :				
Purchase of Fixed Assets	-		(69,125)	
Proceeds from sale of fixed assets	-		76,211	
Net Cash Flow From Investing Activities		-		7,086
C Cash Flow From Financing Activities				
Repayment of Share Capital		(3,635,280)		
Distribution of Reserves		(3,964,229)		
Net Cash Flow From Financing Activities		(7,599,509)		-
Net Increase In Cash And Cash Equivalents (A+B+C)		(5,375)		(2,101,790)
Cash And Cash Equivalents As At 01.04.2016 (Op. Bal)		5,375		2,107,165
Cash And Cash Equivalents As At 30.06.2016 (Cl. Bal)		-		5,375

As per our report of even date

For M/s MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants



M.S.N.M. Santosh
Partner
M.No.: 221916

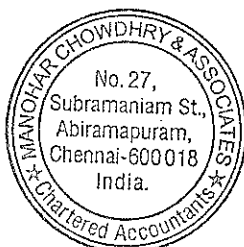
Place : Chennai
Date : July 11, 2016

For BHARATMATRIMONY (L.L.C)



Murugavel Janakiraman
Manager

Place : Chennai
Date : July 11, 2016



BHARATMATRIMONY (L.L.C)

Notes on Financial Statements

Background:

BM LLC, Dubai, was in the business of providing marketing and administrative services to Matrimony.Com Limited (Formerly known as Matrimony.Com Private Limited) in respect of non- resident indian markets in Gulf Countries through its Dubai office.

The management has decided to liquidate the company during the year ending 2016. Accordingly, the Company has applied and obtained the 'Trade License Cancellation Certificate' dated 25th April, 2016, from the Department of Economic Development which states cancellation and termination from the commercial register.

1.SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements are prepared on liquidation basis of accounting on the assumption that the Company ceases to be a going concern. The current liabilities and provisions are stated on the accrual basis of accounting to comply with the accounting principles generally accepted in India and comply with the mandatory accounting standards notified by the Central Government of India under the Companies (Account) Rules, 2014 as amended and with the relevant provisions of the Companies Act, 2013.

1.2 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles adopted in India for the purpose of consolidating the company's financials with that of holding company.

Since the Company is domiciled in the United Arab Emirates ("UAE"), the books of accounts are maintained in AED . The Holding Company prepares consolidated financial statements, for which it has identified the Company as a "Integral foreign operation" as per the principles laid down in AS -- 11

In connection to the same the financial statements have been prepared using the following method of translation:

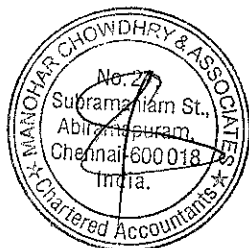
- a) Income and expenditure items are translated at the monthly average exchange rates
- b) Monetary assets and liabilities denominated in foreign currency as at the Balance sheet date are restated at exchange rates prevailing at the said date.
- c) Non-Monetary assets and liabilities are translated at the rate prevailing on the date of transaction.
- d) The resultant difference on the translation shall be recognised as exchange loss / gain in the Statement of Profit and Loss

1.3 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



BHARATMATRIMONY (L.L.C)

Notes on Financial Statements

1.5 Tangible Fixed Assets and Depreciation

i) Fixed Assets are stated at realizable values. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

ii) Depreciation on tangible fixed assets is provided based on the straight-line method over the useful lives estimated by the management. Depreciation for assets purchased / sold during the period is proportionately charged. The Management estimates the useful lives for the assets as follows:

Particulars	Useful life (in years)
Furniture and Fixtures	2-5
Computer and Network Equipment	4-6
Office Equipment	2-7

iii) Based on technical evaluation, the management believes that the useful life as given above best represent the period which the Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

iv) Assets individually costing less than Rs.5,000/- each are fully depreciated in the year of purchase.

v) Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.6 Foreign currency transactions

a) Transactions in foreign currency are recorded at exchange rates prevailing on the date of transaction and realised exchange loss / gain are dealt with in the Statement of Profit and Loss.

b) Monetary assets and liabilities denominated in foreign currency as at the Balance sheet date are restated at exchange rates prevailing at the said date and resultant exchange loss / gain are dealt with in the Statement of Profit and Loss.

1.7 Leases

Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

1.8 Earnings per share (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

1.9 Revenue Recognition

The Company provides marketing and administrative services to Matrimony.Com Limited (Formerly known as Matrimony.Com Private Limited) for which it is compensated by way of an agency commission which is computed on following basis:

(i) Salary, Office Administration expenses - At Cost Plus model.

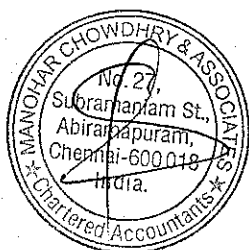
(ii) Marketing, Collection Charges- At Actual Cost.

1.10 Employee Benefits

Liability for Gratuity to employees is determined on the basis of Gratuity Act as at the Balance Sheet date, which is not funded.

1.11 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax weighted average cost of capital.



BHARATMATRIMONY (L.L.C)

Notes on Financial Statements

2. SHARE CAPITAL**(A) Authorised, issued, subscribed and paid up share capital** Amount in Rs.

Particulars	As on 30.06.2016	As on 31.03.2016
(a) Authorised Capital 300 (300) equity shares of AED1000 each	-	3,635,280
(b) Issued, Subscribed and Fully paid up capital 300 (300) equity shares of AED1000 each	-	3,635,280

(B) Reconciliation of number of shares outstanding

Particulars	As on 30.06.2016	As on 31.03.2016
(a) Opening balance	300	300
(b) Issued during the period	-	-
(c) Cancelled during the period	300	-
(d) Closing balance	-	300

(C) Shareholders holding more than 5% equity shares

Particulars	As on 30.06.2016	As on 31.03.2016
	% of holding	% of holding
(a) Miss. Nada Saeed Khalifa Mohamed Al Fuqaei	-	51%
(b) Matrimony.Com Limited(Formerly known as Matrimony.Com Private Limited)	-	49%

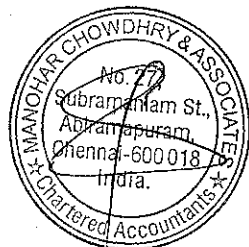
(D) Shares held by holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;

Particulars	As on 30.06.2016	As on 31.03.2016
	Preference	Preference
(a) Holding company-Matrimony.Com Ltd (Formerly known as Matrimony.Com Pvt Ltd)	Nil	Nil

3. RESERVES AND SURPLUS**Surplus (In statement of Profit and Loss)**

Amount in Rs.

Particulars	As on 30.06.2016	As on 31.03.2016
(a) Opening balance	3,848,718	3,146,032
(b) Additions during the period	115,511	702,686
(c) Utilisation during the period	3,964,229	
(d) Closing balance	-	3,848,718



BHARATMATRIMONY (L.L.C)

Notes on Financial Statements

4. TRADE PAYABLES

Amount in Rs

Particulars	As on 30.06.2016	As on 31.03.2016
(a) Sundry Creditors & Provisions	-	69,302
Total	-	69,302

Note: There are no dues to Micro, Small and Medium Enterprises in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006, as of June 30, 2016, outstanding for more than 45 days on the basis of such parties having been identified by the management and relied upon by the auditors.

5. Long term loans & advances

Amount in Rs

Particulars	As on 30.06.2016	As on 31.03.2016
(a) Deposits	-	54,090
Total	-	54,090

6. TRADE RECEIVABLES

Amount in Rs

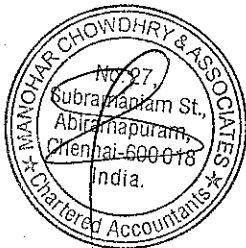
Particulars	As on 30.06.2016	As on 31.03.2016
Debts outstanding for more than 6 months		
Unsecured, considered good *	-	-
Others		
Unsecured, considered good *	-	7,493,835
Total	-	7,493,835

*Note: The amount represents receivable from parent company. i.e Matrimonmy.com Limited

7. CASH AND BANK BALANCE

Amount in Rs

Particulars	As on 30.06.2016	As on 31.03.2016
(a) Balance with banks	-	5,375
Total	-	5,375



BHARATMATRIMONY (L.L.C)

Notes on Financial Statements

8. REVENUE FROM OPERATIONS AND OTHER INCOME

Amount in Rs

Particulars	For the period ended 30.06.2016	For the period ended 30.06.2015
(a) Income From Agency Services*	-	4,744,693
Total	-	4,744,693

*Note: 100% billing to Matrimony.Com Ltd

9. EMPLOYEE BENEFITS EXPENSE

Amount in Rs

Particulars	For the period ended 30.06.2016	For the period ended 30.06.2015
(a) Reimbursement of Expense	-	(775,343)
(b) Salaries and Allowances	-	4,145,539
(c) Staff Welfare Expenses	-	45,430
Total	-	3,415,626

10. DEPRECIATION AND AMORTISATION EXPENSE

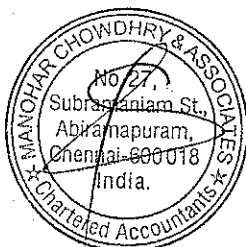
Amount in Rs

Particulars	For the period ended 30.06.2016	For the period ended 30.06.2015
(a) Reimbursement of Expense	-	(29,843)
(b) Depreciation and Amortisation expense	-	29,843
Total	-	-

11. OTHER EXPENSES

Amount in Rs

Particulars	For the period ended 30.06.2016	For the period ended 30.06.2015
(a) Reimbursement of Expense	(912)	(2,383,778)
(b) Marketing & Sales Promotion Expenses	-	1,737,456
(c) Rent	-	450,579
(d) Office Maintenance	-	28,082
(e) Power and Light Charges	-	17,884
(f) Rates and Taxes	-	61,951
(g) Travelling & Conveyance	-	161,039
(h) Communication charges	-	567,927
(i) Printing and Stationery	-	5,153
(j) Sponsorship	-	64,605
(k) Postal and Courier Expenses	-	4,522
(l) Books and Periodicals	-	1,723
(m) Bank Charges	5,570	17,757
(n) Collection charges	-	391,578
(o) Auditors Remuneration	25,000	20,128
(p) Net Gain or Loss on foreign currency transactions and translation	(145,169)	(131,851)
Total	(115,511)	1,014,755



BHARATMATRIMONY (L.L.C)

Notes on Financial Statements

12. Related Parties

- (i) Holding Company Matrimony.Com Ltd
(Formerly known as Matrimony.Com Private Limited)
- (ii) Other Companies
Fellow Subsidiaries Consim Info USA Inc.
Community Matrimony Private Limited
Sys India Private Limited
Matchify Services Private Limited
Tambulya Online Market Place Private Limited
- (iii) Enterprises owned or significantly influenced by key management personnel or their relatives India Property Online Private Limited
Infonauts Inc., USA
- (iv) Key Management Personal Mr. Murugavel Janakiraman

13. Related Party Transactions

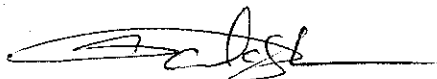
Particulars	Amount in Rs	
	For the Period ended 30.06.2016	For the Period ended 30.06.2015
Matrimony.com Ltd		
- Agency Commission Revenue	-	4,744,693
- Reimbursement of Expenses	-	3,188,964

Particulars	Amount in Rs	
	As on 30.06.2016	As on 31.03.2016
Matrimony.com Ltd		
Receivables	-	7,493,835

14. Details of leasing arrangements

Particulars	Amount in Rs	
	For the Period ended 30.06.2016	For the Period ended 30.06.2015
The Company has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases:	-	450,579

As per our report of even date

For M/s MANOHAR CHOWDHRY & ASSOCIATES
Chartered Accountants

M.S.N.M.Santosh
Partner
M.No.: 221916

For BHARATMATRIMONY (L.L.C)


Murugavel Janakiraman
ManagerPlace : Chennai
Date : July 11, 2016Place : Chennai
Date : July 11, 2016