

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

QUESS CORP LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2021 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the quarter and year ended March 31, 2021" of **QUESS CORP LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates and joint venture company for the quarter and year ended March 31, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements referred to in Other Matters Section below, the Consolidated Financial Results for the year ended March 31, 2021:

- (i) includes the results of the following entities as specified in Annexure I of this report;
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2021.

(b) Conclusion of Unaudited Consolidated Financial Results for the quarter ended March 31, 2021

With respect to Consolidated Financial Results for the quarter ended March 31, 2021, based on our review conducted and procedures performed as stated in paragraph (b) of the Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, its associates and joint venture company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

- We draw attention to Note 9 of the Statement, regarding the demands received by the Company in respect of Provident Fund and the contingency related to the pending litigation on the said matter.
- We draw attention to Note 18 of the Statement, which describes the effects of the continuing uncertainty arising from the outbreak of the COVID-19 pandemic on the financial results for the quarter and year ended March 31, 2021.

Our conclusion on the Statement is not modified in respect of these matters.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2021, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group including its associates and joint venture company in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint venture company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associates and joint venture company are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.



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The respective Board of Directors of the companies included in the Group and of its associates and joint venture company are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture company.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.



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- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results / Financial Information of the entities within the Group and its associates and joint venture company to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2021

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2021 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under Section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

As part of our annual audit we also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.



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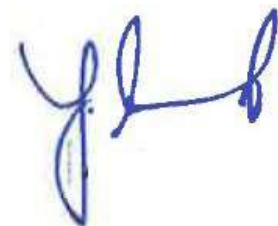
- We did not audit the financial statements / financial information of 33 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 17,974.13 million as at March 31, 2021 and total revenues of Rs 7,991.96 million and Rs. 30,139.51 million for the quarter and year ended March 31, 2021 respectively, total net profit after tax of Rs 803.09 million and Rs. 2,114.51 million for the quarter and year ended March 31, 2021 respectively and total comprehensive income of Rs 795.52 million and Rs. 2,112.91 million for the quarter and year ended March 31, 2021 respectively and net cash flows (net) of Rs. 511.98 million for the year ended March 31, 2021, as considered in the Statement. The consolidated financial results also includes the Group's share of loss after tax of Rs. 2.69 million and Rs. 3.39 million for the quarter and year ended March 31, 2021 respectively and Total comprehensive loss of Rs. 2.69 million and Rs. 3.39 million for the quarter and year ended March 31, 2021 respectively, as considered in the Statement, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited as applicable, by the other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- The consolidated financial results includes the unaudited financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs. 253.63 million as at March 31, 2021 and total revenues of Rs. 71.96 million and Rs. 294.58 million for the quarter and year ended March 31, 2021 respectively, total net loss after tax of Rs. 8.74 million and total net profit after tax of Rs. 0.11 million for the quarter and year ended March 31, 2021 respectively and total comprehensive loss of Rs. 9.39 million and total comprehensive income of Rs. 2.08 million for the quarter and year ended March 31, 2021 respectively and net cash flows (net) of Rs. 71.12 million for the year ended March 31, 2021, as considered in the Statement. The consolidated financial results also includes the Group's share of profit after tax of Rs. 0.33 million and Rs. 2.02 million for the quarter and year ended March 31, 2021 respectively and total comprehensive income of Rs. 0.33 million and Rs. 2.02 million for the quarter and year ended March 31, 2021 respectively, as considered in the Statement, in respect of 1 associate and 1 joint venture company, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, joint venture company and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our report on the Statement is not modified in respect to our reliance on the financial information certified by the Board of Directors.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



(Membership No. 110815)
(UDIN: 21110815AAAACB1415)

Place: Bengaluru
Date : June 03, 2021

Quess Corp Limited
Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103
CIN No. L74140KA2007PLC043909

Part I: Statement of consolidated audited financial results for the quarter and year ended 31 March 2021

(INR in millions except per share data)

Sl. No.	Particulars	Consolidated				
		Quarter ended			Year Ended	
		31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
		Refer note 2	(Unaudited)	Refer note 2	(Audited)	(Audited)
1	Income					
	a) Revenue from operations	30,045.04	28,078.87	29,945.86	1,08,368.95	1,09,914.82
	b) Other income	33.53	98.56	86.17	450.90	510.89
	Total income (a + b)	30,078.57	28,177.43	30,032.03	1,08,819.85	1,10,425.71
2	Expenses					
	a) Cost of material and stores and spare parts consumed	570.90	563.55	599.19	2,007.49	2,670.55
	b) Employee benefit expenses	25,632.06	24,003.52	25,100.66	92,968.43	90,634.38
	c) Finance costs	166.35	244.57	387.43	1,112.93	1,668.01
	d) Depreciation and amortisation expense	551.07	562.24	596.36	2,285.28	2,486.07
	e) Other expenses	3,463.72	2,003.46	2,560.17	8,311.93	10,031.87
	Total expenses (a + b + c + d + e)	30,384.10	27,377.34	29,243.81	1,07,186.06	1,07,490.88
3	Profit before share of profit/(loss) of equity accounted investees, exceptional items and tax (1 - 2)	(305.53)	800.09	788.22	1,633.79	2,934.83
4	Share of profit/(loss) of equity accounted investees (net of income tax)	(8.30)	0.70	(91.31)	(114.27)	(138.33)
5	Profit before exceptional items and tax (3 + 4)	(313.83)	800.79	696.91	1,519.52	2,796.50
6	Exceptional items (refer note 4 and 8)	-	-	6,640.52	(326.89)	6,640.52
7	Profit/(loss) before tax (5 - 6)	(313.83)	800.79	(5,943.61)	1,846.41	(3,844.02)
8	Tax expense/(credit)					
	Current tax	111.10	111.51	(235.16)	423.29	335.14
	Income tax relating to previous year	(8.75)	54.84	-	68.21	2.76
	Deferred tax	166.55	178.69	590.72	618.02	136.86
	Total tax expense	268.90	345.04	355.56	1,109.52	474.76
9	Profit/(loss) for the period (7 - 8)	(582.73)	455.75	(6,299.17)	736.89	(4,318.78)
10	Other comprehensive income					
	(i) Items that will not be reclassified subsequently to profit or loss					
	Remeasurement of defined benefit plans	49.29	(34.48)	(45.08)	(78.10)	(143.80)
	Income tax relating to items that will not be reclassified to profit or loss	(11.04)	6.47	0.39	21.68	34.82
	Share of other comprehensive income of equity accounted investees (net of income tax)	-	-	(25.42)	(5.33)	(36.81)
	(ii) Items that will be reclassified subsequently to profit or loss					
	Exchange differences in translating financial statements of foreign operations	(65.84)	60.59	94.47	45.99	243.23
	Other comprehensive income/(loss) for the period, net of taxes	(27.59)	32.58	24.36	(15.76)	97.44
11	Total comprehensive income/(loss) for the period (9 + 10)	(610.32)	488.33	(6,274.81)	721.13	(4,221.34)
12	Profit/(loss) attributable to:					
	Owners of the Company	(633.37)	417.54	(6,324.63)	578.77	(4,446.93)
	Non-controlling interests	50.64	38.21	25.46	158.12	128.15
13	Other comprehensive income/(loss) attributable to:					
	Owners of the Company	(32.70)	33.92	9.72	(26.80)	82.80
	Non-controlling interests	5.11	(1.34)	14.64	11.04	14.64
14	Total comprehensive income/(loss) attributable to:					
	Owners of the Company	(666.07)	451.46	(6,314.91)	551.97	(4,364.13)
	Non-controlling interests	55.75	36.87	40.10	169.16	142.79
15	Paid-up equity share capital (Face value of INR 10.00 per share)	1,476.79	1,476.38	1,475.11	1,476.79	1,475.11
16	Reserves i.e. Other equity				21,954.31	21,284.29
17	Earning/(loss) Per Share	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
	(a) Basic (INR)	(4.29)	2.83	(42.88)	3.92	(30.28)
	(b) Diluted (INR)	(4.22)	2.79	(42.79)	3.87	(30.22)

See accompanying notes to the financial results



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Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Workforce management, Operating asset management and Global technology solutions. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

Statement of consolidated audited segment wise revenue, results, assets and liabilities for the quarter and year ended 31 March 2021

(INR in millions)

Sl. No.	Particulars	Consolidated				
		Quarter ended		Year Ended		
		31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
		Refer note 2	(Unaudited)	Refer note 2	(Audited)	(Audited)
1	Segment revenue					
	a) Workforce management	20,114.16	18,433.55	20,385.87	71,590.09	71,541.69
	b) Operating asset management	4,650.63	4,284.86	4,275.69	16,883.08	17,340.44
	c) Global technology solutions**	5,280.25	5,360.46	5,284.30	19,895.78	21,032.69
	Total income from operations	30,045.04	28,078.87	29,945.86	1,08,368.95	1,09,914.82
2	Segment results					
	a) Workforce management	372.78	682.24	1,032.64	2,283.07	3,874.32
	b) Operating asset management	(523.47)	289.34	283.30	323.22	1,223.55
	c) Global technology solutions**	736.28	742.83	577.30	2,702.13	2,327.16
	Total	585.59	1,714.41	1,893.24	5,308.42	7,425.03
	Less: (i) Unallocated corporate expenses	207.23	206.07	207.40	727.32	847.01
	Less: (ii) Depreciation and amortisation expense	551.07	562.24	596.36	2,285.28	2,486.07
	Less: (iii) Finance costs	166.35	244.57	387.43	1,112.93	1,668.01
	Add: (iv) Other income	33.53	98.56	86.17	450.90	510.89
	Add: (v) Share of profit/(loss) of equity accounted investees (net of income tax)	(8.30)	0.70	(91.31)	(114.27)	(138.33)
	Total profit before tax	(313.83)	800.79	696.91	1,519.52	2,796.50
3	Segment assets					
	a) Workforce management	13,015.55	12,687.05	13,370.84	13,015.55	13,370.84
	b) Operating asset management	10,536.26	11,527.33	10,597.05	10,536.26	10,597.05
	c) Global technology solutions**	11,963.37	12,102.31	13,188.46	11,963.37	13,188.46
	d) Unallocated	11,686.93	11,321.53	16,028.86	11,686.93	16,028.86
	Total	47,202.11	47,638.22	53,185.21	47,202.11	53,185.21
4	Segment liabilities					
	a) Workforce management	5,310.18	5,379.02	4,503.70	5,310.18	4,503.70
	b) Operating asset management	3,497.12	3,476.57	3,270.23	3,497.12	3,270.23
	c) Global technology solutions**	6,333.33	6,371.60	7,739.98	6,333.33	7,739.98
	d) Unallocated	7,691.08	7,464.10	14,142.86	7,691.08	14,142.86
	Total	22,831.71	22,691.29	29,656.77	22,831.71	29,656.77

See accompanying notes to the financial results

**With effect from 1 April 2020, the business segment Tech Services is renamed as Global technology solutions.

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Consolidated Balance Sheet as at 31 March 2021

(INR in millions)

Particulars		As at 31 March 2021	As at 31 March 2020
		(Audited)	(Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	1,732.91	2,070.11
	Capital work-in-progress	149.81	7.72
	Right-of-use assets	2,429.88	3,060.64
	Goodwill	9,889.50	8,357.79
	Other intangible assets	995.23	1,381.28
	Intangible assets under development	159.10	38.65
	Investments in equity accounted investees	24.44	708.14
	Financial assets		
	Investments	16.55	16.55
	Loans	1,042.44	1,673.95
	Other financial assets	632.37	611.83
	Deferred tax assets (net)	1,289.92	1,831.56
	Income tax assets (net)	2,771.54	4,334.06
	Other non-current assets	177.28	178.62
	Total non-current assets	21,310.97	24,270.90
2	Current assets		
	Inventories	290.29	283.78
	Financial assets		
	Investments	497.08	333.90
	Trade receivables	8,944.86	9,982.07
	Cash and cash equivalents	4,857.19	7,091.24
	Bank balances other than cash and cash equivalents above	788.49	495.99
	Loans	225.26	544.05
	Unbilled revenue	9,050.56	8,812.79
	Other financial assets	57.42	69.32
	Other current assets	1,179.99	1,301.17
	Total current assets	25,891.14	28,914.31
	Total Assets	47,202.11	53,185.21
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	1,476.79	1,475.11
	Other equity	21,954.31	21,284.29
	Total equity attributable to equity holders of the Company	23,431.10	22,759.40
	Non-controlling interests	939.30	769.04
	Total equity	24,370.40	23,528.44
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Borrowings	543.07	1,149.67
	Lease liabilities	1,778.09	2,194.38
	Other financial liabilities	2,096.36	2,006.73
	Deferred income tax liabilities (net)	0.44	1.27
	Non-current provisions	1,981.70	1,460.50
	Total non-current liabilities	6,399.66	6,812.55
3	Current liabilities		
	Financial liabilities		
	Borrowings	3,971.39	8,826.60
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	27.84	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,184.64	1,632.57
	Lease liabilities	974.35	1,048.91
	Other financial liabilities	6,807.16	7,615.20
	Income tax liabilities (net)	88.24	71.77
	Current provisions	139.92	93.47
	Other current liabilities	3,238.51	3,555.70
	Total current liabilities	16,432.05	22,844.22
	Total Equity and Liabilities	47,202.11	53,185.21

See accompanying notes to the financial results



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Consolidated Statement of Cash flows for the year ended 31 March 2021

(INR in millions)

Particulars	For the year ended	
	31 March 2021	31 March 2020
	(audited)	(audited)
Cash flows from operating activities		
Profit after tax	736.89	(4,318.78)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Tax expense	1,109.52	474.76
Exceptional items	(326.89)	6,640.52
Interest income on term deposits	(60.35)	(95.85)
Amortised cost adjustments for financial instruments	(21.76)	(32.87)
Loss on sale of property, plant and equipment, net	0.62	31.49
Interest on loans given to related parties	(8.76)	(196.62)
Net gain on sale of investments in mutual funds	(3.50)	(66.04)
Liabilities no longer required written back	(0.43)	(16.32)
Bad debts recovered	-	-
Change in fair value of contingent consideration	-	(18.50)
Net fair value (loss)/gains on mutual funds	(15.74)	37.27
Expense on employee stock option scheme	118.02	18.77
Finance costs	1,112.93	1,668.01
Depreciation and amortisation expense	2,285.28	2,486.07
Loss allowance on financial assets, net	1,225.02	235.86
Deposits written off	2.13	71.28
Interest on income tax refunds	(311.20)	-
Rent concession	(85.83)	-
Foreign exchange gain, net	99.54	(64.43)
Share of (profit)/loss of equity accounted investees	114.27	138.33
Operating profit before working capital changes	5,969.77	6,992.95
Changes in operating assets and liabilities		
Changes in inventories	(0.44)	(62.96)
Changes in trade receivables and unbilled revenue	417.03	(292.46)
Changes in loans, other financial assets and other assets	82.14	(103.21)
Changes in trade payables and other financial liabilities	(988.64)	(781.83)
Changes in other liabilities and provisions	26.23	(692.92)
Cash generated from operations	5,506.09	5,059.57
Income taxes paid, net of refund	1,647.51	(1,448.59)
Net cash flow from operating activities (A)	7,153.60	3,610.98
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(613.46)	(568.83)
Proceeds/ (Investment) in subsidiaries and associates	117.76	(1,873.47)
Investments/proceeds in mutual fund units	(143.84)	731.98
Bank deposits (having original maturity of more than three months), net	(372.61)	393.68
Loans given to related parties	(94.66)	(514.36)
Interest received on term deposits	43.39	95.24
Net cash (used in) investing activities (B)	(1,063.42)	(1,735.76)
Cash flows from financing activities		
(Repayment)/Proceeds from term loans	(1,456.77)	262.46
(Repayment)/Proceeds from borrowings	(4,855.21)	3,747.31
Proceeds from issue of equity shares, net of issue expenses	1.68	483.37
Payment towards acquisition of non-controlling interest	(45.59)	(1,243.64)
Loans (repaid)/received from related parties	-	(332.11)
Repayment of lease liabilities	(1,242.32)	(1,481.05)
Payment of dividend to non-controlling interest of subsidiary	-	(144.09)
Interest paid	(737.32)	(1,157.69)
Net cash (used in)/from financing activities (C)	(8,335.53)	134.56
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(2,245.35)	2,009.78
Cash and cash equivalents at the beginning of the period	7,091.24	5,047.74
Effect of exchange rate fluctuations on cash and cash equivalents	11.30	33.72
Cash and cash equivalents at the end of the period	4,857.19	7,091.24
Components of cash and cash equivalents		
Cash in hand	6.39	7.87
Balances with banks		
In current accounts	4,573.52	6,784.89
In EEFC accounts	19.84	238.65
In deposit accounts (with original maturity of less than 3 months)	257.44	59.83
Cash and cash equivalents as per consolidated balance sheet	4,857.19	7,091.24



Consolidated audited financial results for the quarter and year ended 31 March 2021

Notes :

- 1 The consolidated financial information for the quarter and year ended 31 March 2021 have been taken on record by the Board of Directors at its meeting held on 03 June 2021. The statutory auditors have expressed an unqualified review conclusion on the financial results for the quarter ended 31 March 2021 and have expressed an unqualified audit opinion on the financial results for the year ended 31 March 2021. These Consolidated financial results have been extracted from the consolidated financial information.
- 2 The Statement includes the results for the quarters ended 31 March 2021 and 31 March 2020 being the balancing figure of audited figures in respect of full financial year and the published year to date figures upto the third quarter of the respective financial years.
- 3 The consolidated audited financial results and the audit/review report of the Statutory Auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and will be made available on the Company's website www.quescorp.com.
- 4 During the quarter ended 30 June 2020, the Company acquired additional 25.00% stake in Terrier Security Services (India) Private Limited ("TSSIPL") for a purchase consideration of INR 645.00 million. Consequent to the additional 25.00% acquisition, the total shareholding in TSSIPL has increased from 49.00% to 74.00% and TSSIPL has become subsidiary of the Company. The purchase consideration included the fair value of the existing stake of 49.00% and additional stake of 25.00% adjusted for equity method accounting loss of INR 107.46 million resulted in a total purchase consideration of INR 1,510.00 million. The purchase consideration of INR 645.00 million was settled by adjusting loans which was outstanding to be received from Heptagon Technologies Private Limited ("HTPL"). During the year, the Company has completed the purchase price allocation and has recognised assets and liabilities at its fair value. Post allocation of purchase price, the Company has recorded goodwill of INR 1,500.93 million and fair value gain on the acquisition of INR 250.26 million which is disclosed under exceptional item in the above results. For the quarter ended 30 June 2020 and for the year ended 31 March 2021, the respective consolidated financial results of the group include proportionate financials results of TSSIPL.
- 5 During the quarter ended 31 March 2021, the Company entered into Shareholder's Agreement ("SHA") and Share Subscription Agreement ("SSA") with Stellarislog Technovation Private Limited ("STPL") and its Shareholders to acquire equity stake in STPL. On 29 January 2021, the Company had acquired 16.12% equity stake in STPL for a consideration of INR 20.00 million. The remaining INR 80.00 million for acquiring 32.88% stake in STPL is considered as a financial commitment.
- 6 During the quarter ended 30 September 2020, the Company entered into a Termination agreement ("Agreement") with Quess East Bengal FC Private Limited ("QEBFC") and the East Bengal Club ("Club") for terminating the shareholders agreement ("SHA") dated 5 July 2018 among the Company, QEBFC and the Club on mutual consent. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and the Company has acquired the balance 30.00% equity stake in QEBFC for a nominal value of INR 1,000. On 28 July 2020 the Board of Directors had approved the proposal for voluntary liquidation of QEBFC and subsequently, the Shareholders of QEBFC had approved the Voluntary Liquidation pursuant to Section 59 of the Insolvency and Bankruptcy Code, 2016 and appointed a Liquidator on 2 September 2020 for carrying out the Voluntary Liquidation process. The effective date of commencement of liquidation is 02 September 2020. The impact of the transaction on the results for the quarter and year ended 31 March 2021 is insignificant.
- 7 On 02 February 2021, the Company acquired additional 3.76% equity stake in Vedang Cellular Services Private Limited ("VCSP") at a consideration of INR 6.97 million, pursuant to the clauses relating to NCI-Put option of the Original Share purchase agreement dated 25 October 2017 among Quess Corp Limited, Vedang Radio Technology Private Limited, VCSP and Ashish Kapoor. As of 31 March 2021, the Company holds 92.47% equity stake in VCSP.
- 8 During the quarter ended 30 September 2020, the Company sold Dependo Logistics Services Private Limited for a consideration of INR 100.00 million and has recognised profit on sale of INR 76.62 million which is disclosed under exceptional item in the above results.
- 9 During the previous year, the Company had received a notice from the Regional PF Commissioner ("RPFC") under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the Act") stating that Company has failed to remit Provident Fund ("PF") on wages for its employees for the period from April 2018 to March 2019 on the grounds that PF deductions were not made on certain components of the salary amounting to INR 716.56 million. On 26 August 2019, the Company filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-1 of the Act challenging the Employees' Provident Fund Organisation's ("EPFO") order along with the application under Section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident Fund Contributions till the final disposal of the Appeal. Consequent to the appeal, on 23 October 2019 the CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order for a period of 3 months. The matter has been further adjourned to 16 July 2021. The Company has obtained external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been wrongly determined by the RPFC. Further the Company has contractual rights with its customers wherein any such statutory liabilities could be passed on to them and the Company has obtained confirmation from the customers in this regard. Based on the legal advice, pending the hearing of the appeal and contractual arrangement with customers, no provision or contingent liability has been recognised or disclosed.
- 10 On 31 March 2020 pursuant to approval by the shareholders by way of a special resolution through postal ballot, the Nomination and Remuneration Committee / Board has been authorized to introduce, offer, issue and provide Restricted Stock Units ("RSUs") to eligible employees of the Company and its subsidiaries under the Quess Stock Ownership Plan - 2020 ("QSOP 2020"). The maximum number of shares under QSOP 2020 shall not exceed 3,650,000 equity shares. The RSUs granted under QSOP 2020 shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). These instruments will be equity settled and will generally vest between a minimum of 1 to maximum of 6 years from the grant date. The total expense recorded for the same during the quarter and year ended 31 March 2021 amounts to INR 36.45 million and INR 118.02 million respectively. The Company has received in-principle approval for listing from BSE and NSE on 29 April 2020 and 30 April 2020 respectively. On 11 May 2020, the Nomination and Remuneration Committee approved the grant of 2,629,795 RSUs under QSOP 2020 subject to necessary approvals. On 24 July 2020, the Nomination and Remuneration Committee has approved additional grant of 74,141 RSUs under QSOP 2020. Further on 27 January 2021, the Nomination and Remuneration Committee has approved additional grant of 154,290 RSUs under QSOP 2020.




- 11 The Board of Directors of the Company at its meeting held on 18 February 2020 had considered and approved the Scheme of Amalgamation ("Scheme AAA") among Qess Corp Limited ("Transferee Company") with four of its wholly owned subsidiaries viz. Golden Star Facilities and Services Private Limited ("GSFS"), MFX Infotech Private Limited ("MFXI"), Trimax Smart Infraprojects Private Limited ("TSIP"), and Green Piece Landscape India Private Limited ("GLPL") together known as ("Transferor Companies") and their respective shareholders and creditors, subject to the approval of shareholders and other regulatory authorities as may be applicable under the Companies Act, 2013. On 19 March 2021, Regional Director, South-East region, Hyderabad had rejected the Scheme AAA vide Order no. 3/Kar/CP.No.25/RD(SER)/CAA-11/233/2020 based on non-fulfilment of provisions under Section 233(1)(b) of the Companies Act, 2013 ("Act"). The Board has considered and approved fresh Scheme of Amalgamation on 03 June 2021 among Qess Corp Limited with two of its wholly owned subsidiaries, GLPL and MFXI, under the provisions of Section 230-232 of the Act. The fresh scheme will be effected in the consolidated financial results once it is approved by National Company Law Tribunal ("NCLT").
- 12 The Group has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs on 24 July 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Group recognised an amount of INR 0.34 million and INR 85.83 million in the consolidated audited financial results for the quarter and year ended 31 March 2021 respectively as reduction of rent expenses grouped under other expenses on account of rent concessions received.
- 13 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 14 The Company has decided to exercise the call option for redemption of redeemable Non-convertible debentures ("NCDs"). Accordingly the outstanding NCDs of INR 750.00 million along with interest was repaid on 22 January 2021.
- 15 The Finance Act, 2021 introduced an amendment to section 32 of the Income Tax Act, 1961, whereby goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective 1 April 2020. Consequently, the Company recorded a deferred tax expense of INR 519.61 million being the difference between the book base and tax base of goodwill on 31 March 2021. The deferred tax mainly relates to goodwill arising out of the acquisition of Manipal business in 2016.
- 16 On 24 December 2020, Tata Sons Private Limited ("Tata Sons"), remaining shareholder of Conneqt Business Solutions Limited ("CBSL") (a subsidiary of Qess Corp Limited) has exercised the Put Option and has requested the Company to complete the purchase of 44,839,166 equity shares ("Put Shares") as per the Shareholders Agreement ("the Agreement") dated 20 November 2017. The Company accrued a put option liability of INR 2,080.00 million as on March 31, 2021. Subsequently on 16 April 2021, the Administration and Investment committee has approved the acquisition of the remaining 30.00% equity stake for a consideration of INR 2,080.00 million. The Company completed the acquisition of equity stake in CBSL on the same date, and CBSL became wholly owned subsidiary of the Company.
- 17 The Board of Directors in their meeting held on 05 May 2021 have declared an interim dividend of INR 7.00 per equity share (par value of INR 10.00 each) for the year ended 31 March 2021 aggregating to INR 1,033.75 million.
- 18 The Group's business operations for the quarter and year ended 31 March 2021 continue to be affected by the COVID-19 pandemic. The duration of the pandemic and its consequential economic and financial impact continue to remain highly uncertain. As a result of these developments, the Group considered the possible effects that may result from the pandemic in preparation of the financial results including evaluating the recoverability of financial assets and non-financial assets particularly, trade receivables, unbilled revenues, goodwill, intangible assets, investments and loans granted associates. The Group has exercised judgements and applied assumptions in relation to these assets and in developing the assumptions relating to the possible future uncertainties in the economic conditions arising from this pandemic. The Group, as on date of approval of these consolidated audited financial results has used internal and external sources of information to the extent available, and based on current estimates expects the net carrying amount of these assets to be recovered. Specifically for the purpose of assessing the recoverable value of goodwill of INR 9,889.50 million and intangible assets of INR 760.44 million and investments in and loans granted to associate companies of INR 369.61 million, significant revised judgment was applied during the quarter in certain cases while finalising assumptions on growth in revenues, EBITDA and discount rates. These assumptions are subject to change in future as events unfold within the uncertain environment. Also, based on the application of the revised judgement, the Company has recorded a provision of INR 1,194.59 million in relation to the trade receivables and unbilled revenues arising from certain contracts with government customers. The collection of these trade receivables and unbilled revenue is delayed due to the protracted lockdowns arising from the pandemic situation which has also resulted in delays in completion of future milestones relating to such contracts. Further, there exists considerable uncertainty around the timelines for completion of such contracts and possibility of modification of terms, given the underlying delays. As a matter of abundant caution, the Company has made provisions, while simultaneously pursuing its efforts for the completion of such contracts and the ultimate collection of such receivables and unbilled revenue.

for and on behalf of Board of Directors of
Qess Corp Limited


Ajit Isaac
Executive Chairman
Place: Bengaluru
Date: 03 June 2021



Appendix - I

Nature	S. No.	Entity name
Subsidiary/Step-subsiary:	1	Brainhunter Systems Ltd.
	2	Mindwire Systems Limited
	3	MFX Infotech Private Limited
	4	Quess (Philippines) Corp.
	5	Quess Corp (USA) Inc.
	6	Quess Corp Holdings Pte. Ltd.
	7	Quessglobal (Malaysia) Sdn. Bhd.
	8	MFXchange Holdings, Inc.
	9	MFXchange US, Inc.
	10	Quess Corp Lanka (Private) Limited
	11	Comtel Solutions Pte. Limited
	12	Dependo Logistics Solutions Private Limited (refer note 8)
	13	Excelus Learning Solutions Private Limited
	14	Connect Business Solutions Limited (formerly known as Tata Business Support Services Limited)
	15	Vedang Cellular Services Private Limited
	16	Golden Star Facilities and Services Private Limited
	17	Comtelpro Pte. Ltd.
	18	Comtelink Sdn. Bhd.
	19	Monster.com.SG PTE Limited
	20	Monster.com.HK Limited
	21	Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd)
	22	Monster.com (India) Private Limited
	23	Quess Corp Vietnam LLC
	24	Simpliance Technologies Private Limited
	25	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)
	26	Greenpiece Landscapes India Private Limited
	27	Quesscorp Management Consultancies (formerly known as Styracorp Management Services)
	28	Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)]
	29	Allsec Technologies Limited
	30	Allsectech Inc., USA
	31	Allsectech Manila Inc., Philippines
	32	Retreat Capital Management Inc., USA
	33	Quess Services Limited
	34	Trimax Smart Infraprojects Private Limited
	35	Terrier Security Services (India) Private Limited (refer note 4)
	36	Quess East Bengal FC Private Limited (refer note 6)
Associate:	1	Heptagon Technologies Private Limited
	2	Quess Recruit, Inc.
	3	Agency Pekerjaan Quess Recruit Sdn. Bhd.
	4	Stellarslog Technovation Private Limited (refer note 5)
Joint venture:	1	Himmer Industrial Services (M) Sdn. Bhd.