

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results 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 (loss) after tax and total comprehensive (loss) of its associates and joint venture company for the quarter and half year ended 30 September 2019 ("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.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent'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 Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 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.

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.

Attention is drawn to Note 2 to the Statement which states that the statement of consolidated cash flows for the corresponding half year ended 30 September 2018, as reported in the accompanying Statement has been approved by the Parent's Board of Directors but has not been subjected to review by us.

4. The Statement includes the results of the entities as given in the Annexure 1 to this report.



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

We draw attention to Note 6 of the Statement, which describes the contingency related to pending litigation and the demands received by the Company in relation to Provident Fund.

Our conclusion on the Statement is not modified in respect of this matter.

7. We did not review the interim financial results of seventeen subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 193,042.80 lakhs as at 30 September 2019, total revenues of Rs. 76,663.25 lakhs and Rs. 148,862.54 lakhs for the quarter and half year ended 30 September 2019 respectively, total net profit after tax of Rs. 3,283.26 lakhs and Rs. 5,417.49 lakhs for the quarter and half year ended 30 September 2019 respectively and total comprehensive income of Rs. 3,014.15 lakhs and Rs. 4,965.49 lakhs for the quarter and half year ended 30 September 2019 respectively and net cash flows of Rs. 2,515.05 lakhs for the half year ended 30 September 2019, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of (loss) after tax and total comprehensive (loss) of Rs. Nil, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

8. The consolidated unaudited financial results includes the interim financial results of twenty one subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 70,919.70 lakhs as at 30 September 2019, total revenue of Rs. 11,819.59 lakhs and Rs. 23,445.16 lakhs for the quarter and half year ended 30 September 2019 respectively, total profit after tax of Rs. 262.17 lakhs for the quarter ended 30 September 2019 and total (loss) of Rs. 174.84 lakhs for the half year ended 30 September 2019, total comprehensive income of Rs. 179.14 lakhs for the quarter ended 30 September 2019 and total comprehensive (loss) of Rs. 282.03 lakhs for the half year ended 30 September 2019 and net cash flows of Rs. 2,995.07 lakhs for the half year ended 30 September 2019, as considered in the



Statement. The consolidated unaudited financial results also includes the Group's share of (loss) after tax of Rs. 320.91 lakhs and Rs. 338.50 lakhs for the quarter and half year ended 30 September 2019 respectively and total comprehensive (loss) of Rs. 320.91 lakhs and Rs. 338.50 lakhs for the quarter and half year ended 30 September 2019 respectively, as considered in the Statement, in respect of four associates and one joint venture company, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

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



Anand Subramanian
Partner
(Membership No. 110815)
UDIN: 19110815AAAAACN7211

Bengaluru, 30 October 2019

Annexure 1:

Nature	S. No.	Entity name
Subsidiary/ Step- subsidiary:	1	Aravon Services Private Limited
	2	Brainhunter Systems Limited
	3	Mindwire Systems Limited
	4	Brainhunter Companies LLC
	5	Coachieve Solutions Private Limited
	6	MFX Infotech Private Limited
	7	Quess (Philippines) Corp.
	8	Quess Corp (USA) Inc
	9	Quess Corp Holdings Pte Limited
	10	Quessglobal (Malaysia) Sdn. Bhd.
	11	MFXchange Holdings Inc.
	12	MFXchange US Inc.
	13	Quess Corp Lanka (Private) Limited
	14	Comtel Solutions Pte. Limited
	15	Dependo Logistics Solutions Private Limited
	16	Excelus Learning Solutions Private Limited
	17	CentreQ Business Services Private Limited
	18	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
	19	Vedang Cellular Services Private Limited
	20	Master Staffing Solutions Private Limited
	21	Golden Star Facilities and Services Private Limited
	22	MFX Chile SpA
	23	Comtelpro Pte. Limited
	24	Comtelink Sdn. Bhd.
	25	Monster.com.SG PTE Limited
	26	Monster.com.HK Limited
	27	Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd)
	28	Monster.com (India) Private Limited
	29	Quess Corp Vietnam LLC
	30	Simpliance Technologies Private Limited
	31	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)
	32	Greenpiece Landscapes India Private Limited



	<p>33 Quesscorp Management Consultancies (formerly known as Styracorp Management Services)</p> <p>34 Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)]</p> <p>35 Allsec Technologies Limited</p> <p>36 Allsectech Inc., USA</p> <p>37 Allsectech Manila Inc., Philippines</p> <p>38 Retreat Capital Management Inc., USA</p> <p>39 Quess Services Limited</p>
Associate:	<p>1 Terrier Security Services (India) Private Limited</p> <p>2 Heptagon Technologies Private Limited</p> <p>3 Quess Recruit, Inc</p> <p>4 Trimax Smart Infraprojects Private Limited</p> <p>5 Quess East Bengal FC Private Limited</p> <p>6 Agency Pekerjaan Quess Recruit Sdn. Bhd.</p>
Joint venture:	<p>1 Himmer Industrial Services (M) Sdn. Bhd.</p>



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

Part 1: Statement of unaudited consolidated financial results for the quarter and half year ended 30 September 2019

(INR in lakhs except per share data)

Sl. No.	Particulars	Consolidated					
		Quarter ended			Half year ended		Year ended
		30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	2,65,025.17	2,39,472.69	2,09,171.14	5,04,497.86	4,06,006.44	8,52,699.28
	b) Other income	1,593.82	1,686.24	1,427.45	3,280.06	2,988.44	7,122.57
	Total income (a + b)	2,66,618.99	2,41,158.93	2,10,598.59	5,07,777.92	4,08,994.88	8,59,821.85
2	Expenses						
	a) Cost of material and stores and spare parts consumed	7,013.50	6,463.20	8,370.32	13,476.70	14,865.57	26,240.51
	b) Employee benefit expenses	2,17,007.16	1,93,419.27	1,64,117.03	4,10,426.43	3,18,981.70	6,71,321.16
	c) Finance costs	4,607.15	3,963.81	2,818.86	8,570.96	5,429.10	11,439.94
	d) Depreciation and amortisation expense	6,521.83	5,793.98	2,907.71	12,315.81	5,894.77	12,315.04
	e) Other expenses	24,866.21	24,859.52	25,481.26	49,725.73	50,710.84	1,08,679.77
	Total expenses (a + b + c + d + e)	2,60,015.85	2,34,499.78	2,03,695.18	4,94,515.63	3,95,881.98	8,29,996.42
3	Profit before share of profit/(loss) of equity accounted investees and tax (1 - 2)	6,603.14	6,659.15	6,903.41	13,262.29	13,112.90	29,825.43
4	Share of profit/(loss) of equity accounted investees (net of income tax)	(394.01)	24.31	306.38	(369.70)	465.49	(880.85)
5	Profit before tax (3 + 4)	6,209.13	6,683.46	7,209.79	12,892.59	13,578.39	28,944.58
6	Tax expense/(credit)						
	Current tax	1,736.10	1,868.68	1,784.93	3,604.78	4,038.50	8,065.33
	Income tax relating to previous year	-	-	-	-	-	384.02
	Deferred tax	(2,030.61)	(812.81)	(739.74)	(2,843.42)	(2,065.33)	(5,159.69)
	Total tax expense/(credit)	(294.51)	1,055.87	1,045.19	761.36	1,973.17	3,289.66
7	Profit for the period (5 - 6)	6,503.64	5,627.59	6,164.60	12,131.23	11,605.22	25,654.92
8	Other comprehensive income						
	(i) Items that will not be reclassified subsequently to profit or loss						
	Remeasurement of defined benefit plans	(600.85)	(220.07)	(110.49)	(820.92)	(435.28)	(346.50)
	Income tax relating to items that will not be reclassified to profit or loss	172.26	114.12	39.61	286.38	152.10	184.33
	Share of other comprehensive income of equity accounted investees (net of income tax)	(49.16)	(24.49)	-	(73.65)	(34.73)	162.42
	(ii) Items that will be reclassified subsequently to profit or loss						
	Exchange differences in translating financial statements of foreign operations	631.60	(13.35)	1,078.80	618.25	1,329.10	634.43
	Other comprehensive income for the period, net of taxes	153.85	(143.79)	1,007.92	10.06	1,011.19	634.68
9	Total comprehensive income for the period (7 + 8)	6,657.49	5,483.80	7,172.52	12,141.29	12,616.41	26,289.60
10	Profit attributable to:						
	Owners of the Company	6,064.09	5,394.52	6,181.15	11,458.61	11,661.17	25,674.11
	Non-controlling interests	439.55	233.07	(16.55)	672.62	(55.95)	(19.19)
11	Other comprehensive income attributable to:						
	Owners of the Company	153.85	(143.79)	1,007.92	10.06	1,011.19	634.68
	Non-controlling interests	-	-	-	-	-	-
12	Total comprehensive income attributable to:						
	Owners of the Company	6,217.94	5,250.73	7,189.07	11,468.67	12,672.36	26,308.79
	Non-controlling interests	439.55	233.07	(16.55)	672.62	(55.95)	(19.19)
13	Paid-up equity share capital (Face value of INR 10.00 per share)	14,685.84	14,610.39	14,608.48	14,685.84	14,608.48	14,608.48
14	Reserves i.e. Other equity						2,57,950.09
15	Earning Per Share (EPS)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (INR)	4.15	3.69	4.25	7.84	8.01	17.61
	(b) Diluted (INR)	4.13	3.67	4.22	7.80	7.97	17.51

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 Tech services. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

Statement of unaudited consolidated segment wise revenue, results, assets and liabilities for the quarter and half year ended 30 September 2019 (INR in lakhs)

Sl. No.	Particulars	Consolidated*					
		Quarter ended			Half year ended		Year ended
		30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue						
	a) Workforce management	1,66,734.36	1,48,745.61	1,20,807.55	3,15,479.97	2,35,646.72	5,03,533.06
	b) Operating asset management	43,184.07	42,706.40	43,422.54	85,890.47	83,265.24	1,70,204.44
	c) Tech Services	55,106.74	48,020.68	44,941.05	1,03,127.42	87,094.48	1,78,961.78
	Total Income from operations	2,65,025.17	2,39,472.69	2,09,171.14	5,04,497.86	4,06,006.44	8,52,699.28
2	Segment results						
	a) Workforce management	9,037.48	8,927.83	6,915.92	17,965.31	13,680.79	30,948.31
	b) Operating asset management	2,898.76	3,189.12	3,445.89	6,087.88	6,404.21	13,422.62
	c) Tech services	6,319.15	4,627.58	2,757.62	10,946.73	4,945.08	9,765.39
	Total	18,255.39	16,744.53	13,119.43	34,999.92	25,030.08	54,136.32
	Less: (i) Unallocated corporate expenses	2,117.09	2,013.83	1,916.90	4,130.92	3,581.75	7,678.48
	Less: (ii) Depreciation and amortisation expense	6,521.83	5,793.98	2,907.71	12,315.81	5,894.77	12,315.04
	Less: (iii) Finance costs	4,607.15	3,963.81	2,818.86	8,570.96	5,429.10	11,439.94
	Add: (iv) Other income	1,593.82	1,686.24	1,427.45	3,280.06	2,988.44	7,122.57
	Add: (v) Share of profit/(loss) of equity accounted investees (net of income tax)	(394.01)	24.31	306.38	(369.70)	465.49	(880.85)
	Total profit before tax	6,209.13	6,683.46	7,209.79	12,892.59	13,578.39	28,944.58
3	Segment assets						
	a) Workforce management	1,26,551.18	1,35,225.29	1,12,258.24	1,26,551.18	1,12,258.24	1,19,613.76
	b) Operating asset management	1,36,958.80	1,40,087.00	1,33,949.30	1,36,958.80	1,33,949.30	1,34,899.12
	c) Tech services	1,54,675.42	1,54,255.75	1,05,744.79	1,54,675.42	1,05,744.79	1,04,029.82
	d) Unallocated	1,61,343.35	1,75,092.20	1,62,617.82	1,61,343.35	1,62,617.82	1,42,624.63
	Total	5,79,528.75	6,04,660.24	5,14,570.15	5,79,528.75	5,14,570.15	5,01,167.33
4	Segment liabilities						
	a) Workforce management	50,150.45	51,600.36	48,939.83	50,150.45	48,939.83	40,515.85
	b) Operating asset management	32,122.99	33,009.64	28,481.78	32,122.99	28,481.78	28,072.65
	c) Tech services	82,912.10	79,703.56	55,295.46	82,912.10	55,295.46	56,243.85
	d) Unallocated	1,21,074.60	1,53,127.84	1,22,499.44	1,21,074.60	1,22,499.44	1,03,466.48
	Total	2,86,260.14	3,17,441.40	2,55,216.51	2,86,260.14	2,55,216.51	2,28,298.83

See accompanying notes to the financial results

Consequent to an internal reorganization, with effect from 1 April 2019, the business segments have been changed as follows:

Customers in general staffing, training and skill development and professional staffing business have been presented as a new reportable segment 'Workforce management' which was previously included under People services and Technology solutions segment respectively. Customers in Industrials, Telecom assets and Facility management business have been presented as a new reportable segment 'Operating asset management' which was previously included under Industrials and Facility management segment respectively. Customers in business process management, after-sales support services and online recruitment portal business have been presented as a new reportable segment 'Tech services' which was previously included under Technology solutions and Internet business segment respectively.

Segment results have changed in line with the internal reorganization and now represents earnings before interest, tax, depreciation and amortization (EBITDA) for each of the business segments. Comparative information for the previous periods have been restated to give effect to the above changes as defined under Ind AS 108, Operating Segments.

*The previous year figures, extracted from the audited consolidated financial statements, have been presented after incorporating necessary reclassification adjustments pursuant to changes in the reportable segments.



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Consolidated Balance Sheet as at 30 September 2019

(INR in lakhs)

Particulars		As at 30 September 2019	As at 31 March 2019
		(Unaudited)	(Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	22,154.98	23,544.26
	Capital work-in-progress	70.99	33.71
	Right-of-use assets	31,696.57	-
	Goodwill	1,28,854.87	1,17,686.43
	Other intangible assets	28,677.50	24,405.39
	Intangible assets under development	724.46	1,437.80
	Investments in equity accounted investees	8,389.40	8,832.74
	Financial assets		
	Investments	165.50	165.50
	Loans	29,044.44	24,243.29
	Other financial assets	7,927.53	8,032.24
	Deferred tax assets (net)	22,398.61	19,264.59
	Income tax assets (net)	37,659.05	31,195.31
	Other non-current assets	1,696.63	1,831.03
	Total non-current assets	3,19,460.53	2,60,672.29
2	Current assets		
	Inventories	2,739.81	2,208.18
	Financial assets		
	Investments	3,223.63	3,846.82
	Trade receivables	94,068.47	91,319.04
	Cash and cash equivalents	58,632.31	50,477.39
	Bank balances other than cash and cash equivalents above	1,697.83	8,072.35
	Loans	5,769.28	3,797.30
	Unbilled revenue	82,878.81	70,321.95
	Other financial assets	370.42	219.51
	Other current assets	10,687.66	10,232.50
	Total current assets	2,60,068.22	2,40,495.04
	Total Assets	5,79,528.75	5,01,167.33
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	14,685.84	14,608.48
	Other equity	2,71,167.93	2,57,950.09
	Total equity attributable to equity holders of the Company	2,85,853.77	2,72,558.57
	Non-controlling interests	7,414.85	309.93
	Total equity	2,93,268.62	2,72,868.50
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Borrowings	29,551.13	20,901.93
	Lease liabilities	21,699.90	-
	Other financial liabilities	21,202.97	20,635.15
	Deferred tax liabilities (net)	16.37	9.02
	Non-current provisions	12,768.57	11,486.85
	Total non-current liabilities	85,238.94	53,032.95
3	Current liabilities		
	Financial liabilities		
	Borrowings	58,911.69	54,113.97
	Trade payables	-	-
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	14,296.05	17,291.75
	Lease liabilities	12,241.39	-
	Other financial liabilities	78,595.48	75,088.01
	Income tax liabilities (net)	2,789.51	853.75
	Current provisions	966.86	994.46
	Other current liabilities	33,220.21	26,923.94
	Total current liabilities	2,01,021.19	1,75,265.88
	Total Equity and Liabilities	5,79,528.75	5,01,167.33

See accompanying notes to the financial results



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Consolidated statement of Cash flows for the half year ended 30 September 2019

(INR in lakhs)

Particulars	Half year ended	
	30 September 2019	30 September 2018
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
Profit after tax	12,131.23	11,605.22
Operating cash flow before working capital changes	32,368.78	22,707.66
Net cash flow from operating activities (A)	17,474.06	7,224.03
Net cash (used in)/from investing activities (B)	(16,445.01)	13,881.02
Net cash from/(used in) financing activities (C)	7,064.07	(22,290.79)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	8,093.12	(1,185.74)
Cash and cash equivalents at the beginning of the period	50,477.39	56,611.15
Effect of exchange rate fluctuations on cash and cash equivalents	61.80	42.37
Cash and cash equivalents at the end of the period	58,632.31	55,467.78
Components of cash and cash equivalents:		
Cash in hand	98.34	136.28
<i>Balances with banks</i>		
In current accounts	57,105.50	55,170.24
In EEFC accounts	214.45	142.72
In deposit accounts (with original maturity of less than 3 months)	1,214.02	18.54
Cash and cash equivalents as per consolidated balance sheet	58,632.31	55,467.78

The disclosure for the half year ended 30 September 2019 and 30 September 2018 is prepared in compliance with Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting.



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Unaudited Consolidated financial results for the quarter and half year ended 30 September 2019

Notes :

- 1 The statement of unaudited consolidated financial results ("the Statement") of Quess Corp Limited ("the Company") including its subsidiaries (collectively known as the "Group"), its associates and its joint venture (as mentioned in Appendix 1 to these notes) for the quarter and half year ended 30 September 2019 have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30 October 2019. The statutory auditors have issued an unmodified review report. The statement of cash flows for the corresponding half year ended 30 September 2018, as reported in the statement has been approved by the Company's Board of Directors, but has not been subjected to review by the statutory auditors of the Company.
- 3 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish unaudited consolidated financial results in the newspapers. The unaudited consolidated financial results and the 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 website www.quescorp.com.
- 4 During the year ended 31 March 2018, the Company has completed the Institutional Placement Programme (IPP) and raised a total capital of INR 87,392.23 lakhs by issuing 10,924,029 equity shares of INR 10.00 each at a premium of INR 790.00 per equity share. The proceeds from IPP is INR 84,754.90 lakhs (net of issue expenses).

Details of utilisation of IPP proceeds are as follows:

Particulars	Objects of the issue as per the prospectus	Utilised upto 30 September 2019	(INR in lakhs)
			Unutilised amount as on 30 September 2019
Acquisitions and other strategic initiatives	62,500.00	62,500.00	-
Funding incremental working capital requirement of our Company	15,000.00	15,000.00	-
General corporate purpose	7,254.90	7,254.90	-
Total	84,754.90	84,754.90	-

Expenses incurred by the Company amounting to INR 2,637.33 lakhs, in connection with IPP have been adjusted towards the securities premium in accordance with Section 52 of the Companies Act, 2013 during the year ended 31 March 2018.

5 Acquisitions:

- (a) On 7 May 2019, the Company acquired balance 10.00% equity stake in Greenpiece Landscapes India Private Limited ("GLIPL") at a consideration of INR 280.00 lakhs and GLIPL has become 100.00% subsidiary of the Company.
- (b) During the quarter ended 30 June 2019, the Board of Directors of the Company at its meeting held on 17 April 2019, considered and approved an additional investment of (a) INR 19,310.73 lakhs by way of subscription to equity shares to be issued and allotted by Conneqt Business Solutions Limited ("CBSL") ("the Equity Subscription") and (b) Not exceeding INR 21,000.00 lakhs by way of subscription to compulsorily convertible debentures ("CCDs") to be issued and allotted by CBSL. Accordingly on 23 May 2019, the Company had invested INR 19,310.73 lakhs thereby increasing the total shareholding of the Company in CBSL from 51.00% to 70.00%. On 1 June 2019, the Company invested INR 7,800.00 lakhs in CCD's of CBSL and a further amount of INR 12,708.72 lakhs had been given as Intercompany Deposits ("ICDs"). The amount given as ICDs, to the extent utilised for open offer (INR 5,876.38 lakhs) with respect to the acquisition of Allsec Technologies Limited [refer note 5 (c) below] was converted into CCDs and the balance was transferred back to the Company.
- (c) During the quarter ended 30 June 2019, the Company ("PAC") through its subsidiary Conneqt Business Solutions Limited ("Acquirer") has entered into a Share Purchase Agreement ("SPA") with Mr Ramamoorthy Jagadish and Mr Adishesan Saravanan ("SPA1") and First Carlyle Ventures Mauritius ("SPA2") and shareholders of Allsec Technologies Limited ("Target") to acquire 1,33,11,060 fully paid equity shares. On 17 April 2019, the Acquirer has entered into a SPA with SPA1 to acquire 53,87,155 shares and with SPA2 to acquire 39,61,940 shares. Pursuant to Regulations 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended ("SEBI SAST Regulations") the Acquirer along with the PAC made a Public Announcement ("PA") for Open Offer ("Offer") to the shareholders of the Target Company to acquire up to 39,61,965 fully paid equity shares of INR 10.00 each at a price of INR 320.00 per share, payable in cash. On 3 May 2019, the Draft Letter of Offer was filed with Securities and Exchange Board of India ("SEBI"). The Acquirer and the PAC appointed Axis Capital Limited as the Managers to the Open Offer, in terms of Regulation 12 of the SEBI SAST Regulations. On 3 June 2019, the Acquirer has completed the acquisition of 93,49,095 shares representing 61.35% equity shares of the Target, from SPA1 and SPA2 for a consideration of INR 27,119.71 lakhs and the Target has become a subsidiary of the Company. On 21 June 2019 the Acquirer made the open offer and acquired 18,33,817 shares representing 12.03% equity shares of the Target at a price of INR 320.00 per share amounting to INR 5,876.38 lakhs which was completed on 10 July 2019. The management has opted for measurement period exemption and has carried out the provisional Purchase Price Allocation which has resulted in a goodwill of INR 10,674.37 lakhs.
- 6 On 29 June 2019, 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 ("Act") stating that the 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. Subsequently on 8 August 2019, RPFC passed an Order under Sec 7-A of the Act demanding a sum of INR 7,165.58 lakhs. On 26 August 2019, the Company filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-I 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. 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 Company has taken 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 right with its customers wherein any such statutory liabilities could be passed on to them and the Company has obtained confirmation from customers in this regard. Based on the legal advice, pending the hearing of the appeal and contractual arrangement with customers, no provision has been recognised at this stage.
- 7 During the previous year ended 31 March 2019, the Company had entered into a Composite Scheme of Arrangement and Amalgamation ("the Scheme") with Thomas Cook India Limited ("TCIL"), Travel Corporation (India) Limited, TC Travel and Services Limited, TC Forex Services Limited and SOTC Travel Management Private Limited and their respective shareholders and creditors, wherein TCIL will demerge its Human Resource Services business (including investment in shares of Quess Corp Limited) into the Company on a going concern basis. The Board of Directors vide its meeting dated 23 April 2018 approved the draft Scheme. Subsequently, the Administration and Investment Committee duly empowered by the Board approved amendment in the share entitlement ratio in the draft Scheme vide its meeting dated 19 December 2018 and filed the Scheme with BSE and NSE. The National Company Law Tribunal (NCLT), Bengaluru bench by an order dated 28 June 2019, had directed to hold the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors on 20 August 2019 for the purpose of considering and approving the Scheme and the scheme was approved by them in the said meeting. The Company has filed the petition before the NCLT Bengaluru bench for approval of the Scheme which is yet to be heard. As part of consideration, the Company will issue equity shares to the shareholders of TCIL as per the Scheme to be approved by Hon'ble NCLT. The anticipated issue of shares to the shareholders of TCIL pursuant to the scheme of arrangement set out as above is not expected to create a parent subsidiary or associate relationship with TCIL.




- 8 The Board of Directors of the Company at its meeting held on 25 October 2018, approved the Scheme of Amalgamation ("Scheme") among Ques Corp Limited ("Transferee Company") with four of its wholly owned subsidiaries viz. Aravon Services Private Limited ("ASPL"), CentreQ Business Services Private Limited ("CBSP"), Coachieve Solutions Private Limited ("COAL"), and Master Staffing Solutions Private Limited ("MSSP") together known as ("Transferor Companies") and their respective shareholders and creditors. Upon the Scheme becoming effective the Transferor Companies stands dissolved, all the assets and liabilities of the transferor companies will be recorded at the carrying values in the consolidated financial statements. The carrying amount of the Transferee Company's investment in the shares of the Transferor Companies, which shall stand cancelled in the terms of this Scheme, and the aggregate face value of such shares shall, subject to other provisions contained herein, be adjusted and reflected in the Capital Reserve of Transferee Company. The Scheme upon approval by the Administration and Investment committee has been filed with NSE and BSE on 27 March 2019. On 10 October 2019, Extra-ordinary General meeting of the equity shareholders, meeting of secured and unsecured creditors were convened and the Scheme was approved.
- 9 On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases with effect from 1 April 2019. The standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-of-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs. The Group has adopted this standard using modified retrospective method effective 1 April 2019, and accordingly, the comparatives have not been restated retrospectively. In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance costs for interest accrued on lease liability. The impact on profits and earnings per share is not material. Application of Ind AS 116 has resulted in recognizing right-of-use asset to the extent of INR 31,046.87 lakhs and lease liability to the extent of INR 30,929.84 lakhs.
- 10 The Company through a subcontracting arrangement with its associate, Trimax Smart Infraprojects Private Limited (TSIPL) provides hardware, software, maintenance and technical support to Trimax IT Infrastructure & Services Limited ("Trimax"). The joint venture partner, Trimax, executed an agreement with Smart City Ahmedabad Development Limited ("SCADL") a government undertaking, in 2017 for supply, installation, commissioning and operation and maintenance for a Pan CIT infrastructure and intelligent command and control centre for the Ahmedabad Smart City ("Project"). As per the Tripartite agreement between TSIPL, Trimax and Axis Bank ("Escrow Agent"), amounts recoverable from SCADL will be deposited into an escrow account and 99.00% of the money received will be paid to TSIPL. TSIPL will utilize the proceeds to settle the obligation of the Company. On 21 February 2019, the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench ordered the commencement of Corporate Insolvency Resolution Process (CIRP) for Trimax based on a petition filed by Corporation Bank which had declared Trimax as an NPA on 31 March 2018. During the quarter ended 30 September 2019, SCADL has remitted INR 766.96 lakhs to the Escrow account of Trimax. TSIPL requested the Resolution Professional ('RP') of Trimax to release 99.00% of INR 766.96 lakhs deposited in the Escrow account. The RP, on the advice of Committee of Creditors ("CoC") has communicated to the Company that these amounts pertain to Pre-CIRP period but have been received during the CIRP period and hence need to be held in escrow until outcome of the resolution process is known. Subsequent to quarter ended 30 September 2019, the Company, TSIPL and Trimax has entered into a Settlement cum Share Purchase Agreement ("SSPA") dated 15 October 2019 with the approval of CoC. SSPA inter-alia provides for (i) Trimax IT's Agreement with SCADL shall be unconditionally and irrevocably assigned in favor of TSIPL, (ii) TSIPL would be owner of 100.00% of rights to the escrow account (iii) Acquisition of remaining 49.00% stake in TSIPL by Company from Trimax for a purchase consideration of INR 1,300.00 lakhs. In October 2019, SCADL has remitted further INR 1,306.00 lakhs (net of TDS) to Escrow account and a total of INR 2,050.00 lakhs has been transferred from Escrow Account to the TSIPL Bank account and then to Company's bank account. As at 30 September 2019, the Company had outstanding trade receivables of INR 5,063.25 lakhs, advance receivables of INR 1,230.50 lakhs and loans and interest receivable of INR 11,695.81 lakhs from TSIPL.
- 11 The Board of Directors of the Company at its meeting held on 12 July 2019 approved issue of 7,54,437 equity shares of the Company having a face value of INR 10.00 per equity share ("Equity Shares") to Amazon.com NV Investment Holdings LLC, a Category III Foreign Portfolio Investor ("Investor"), for an aggregate amount of INR 5,099.99 lakhs at an issue price of INR 676.00 by way of a preferential allotment ("Issue") in accordance with applicable laws, and subject to such regulatory/statutory approval as may be required, including approval by shareholders of the Company. The Board has approved the execution by the Company of (i) the Share Subscription Agreement ("SSA") with the Investor for the Issue of Equity Shares to the Investor on a preferential basis and (ii) the investment agreement ("Investment Agreement") with the Investor and Qdigi Services Limited, a wholly owned subsidiary of the Company ("Subsidiary"), in relation to the utilization of the proceeds of the investment towards, and certain rights of the Investor relating to, the business of the Subsidiary. On 9 September 2019 the Company has received approval from Competition Commission of India (CCI) for the investment and on 26 September 2019 the shares were allotted to the Investor.
- 12 Other expenses in the statement of unaudited consolidated financial results for the quarter and half year ended 30 September 2019 includes direct expenses incurred by the group to generate revenue which is presented in the table below:

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	31 March 2019
Shipment delivery expenses in Dependo Logistics Solutions Private Limited.	1,521.42	1,207.79	1,696.53	2,729.21	2,634.37	5,417.61
Marketing expenses in Monster.com (India) Private Limited	570.61	916.67	977.53	1,487.28	1,855.86	3,992.85

- 13 On 20 September 2019, vide the Taxation Laws (Amendments) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. The Company is currently in the process of evaluating this option.

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


Ajin Isaac
Chairman & Managing Director
Place: Bengaluru
Date: 30 October 2019



Appendix - 1

Nature	S. No.	Entity name
Subsidiary/Step-subsiary:	1	Aravon Services Private Limited
	2	Brainhunter Systems Ltd.
	3	Mindwire Systems Limited
	4	Brainhunter Companies LLC, USA
	5	Coachieve Solutions Private Limited
	6	MFX Infotech Private Limited
	7	Quess (Philippines) Corp.
	8	Quess Corp (USA) Inc
	9	Quess Corp Holdings Pte Ltd
	10	Quessglobal (Malaysia) Sdn. Bhd.
	11	MFXchange Holdings Inc.
	12	MFXchange US, Inc.
	13	Quess Corp Lanka (Private) Limited
	14	Comtel Solutions Pte. Ltd.
	15	Dependo Logistics Solutions Private Limited
	16	Excelus Learning Solutions Private Limited
	17	CentreQ Business Services Private Limited
	18	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) [refer note 5 (b)]
	19	Vedang Cellular Services Private Limited
	20	Master Staffing Solutions Private Limited
	21	Golden Star Facilities and Services Private Limited
	22	MFX Chile SpA
	23	Comtelpro Pte. Limited
	24	Comtelink Sdn. Bhd.
	25	Monster.com SG PTE Limited
	26	Monster.com.HK Limited
	27	Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd)
	28	Monster.com (India) Private Limited
	29	Quess Corp Vietnam LLC
	30	Simpliance Technologies Private Limited
	31	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)
	32	Greenpiece Landscapes India Private Limited [Refer note 5(a)]
	33	Quesscorp Management Consultancies (formerly known as Styracorp Management Services)
	34	Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)]
	35	Allsec Technologies Limited [refer note 5 (c)]
	36	Allsectech Inc., USA
	37	Allsectech Manila Inc., Philippines
	38	Retreat Capital Management Inc., USA
	39	Quess Services Limited (Incorporated on 25 June 2019)
Associate:	1	Terrier Security Services (India) Private Limited
	2	Heptagon Technologies Private Limited
	3	Quess Recruit, Inc
	4	Trimax Smart Infraprojects Private Limited
	5	Quess East Bengal FC Private Limited
	6	Agency Pekerjaan Quess Recruit Sdn. Bhd.
Joint venture:	1	Himmer Industrial Services (M) Sdn. Bhd.

