

B S R & Associates LLP

Chartered Accountants

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Auditor's Report on Annual Consolidated Financial Results of Qess Corp Limited Pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Qess Corp Limited

We have audited the annual consolidated financial results ('Statement') of Qess Corp Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Group"), its associates and its joint venture, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2018 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter of the respective financial year had only been reviewed and not subjected to audit.

This statement has been prepared on the basis of consolidated annual Ind AS financial statements and reviewed quarterly consolidated financial results up to the end of the third quarter which are the responsibility of the Holding Company's Management. Our responsibility is to express an opinion on the Statement based on our audit of the consolidated annual Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.

We draw attention to note 8(a) to the Statement regarding the Scheme of Arrangement ('Scheme') which has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 30 November 2017. The Holding Company has given effect to the Scheme from the appointed date specified in the Scheme i.e. 1 December 2016. The accounting treatment is different from that prescribed under Ind AS 103 Business Combinations. Our opinion is not modified in respect of this matter.



The financial statements of the merged business (including two subsidiaries) for the period from appointed date i.e. 1 December 2016 to 31 March 2017 included in the Statement have been audited by the other auditors who expressed unmodified opinion vide their audit reports dated 23 January 2018 (for merged business excluding two subsidiaries) and 24 January 2018 (for the aforesaid two subsidiaries) have been furnished to us by the Management and has been relied upon by us for the purpose of audit of the Statement. Our opinion on the Statement is not modified in respect of this matter.

We did not audit the financial statements of twenty five subsidiaries, included in the Statement, whose financial results/ financial information reflect total assets of INR 119,216 lakhs as at 31 March 2018 and total revenues (including other income) of INR 167,152 lakhs for the year ended on that date, as considered in the Statement. The Statement also include the Group's share of net profit (including other comprehensive income) of INR 51.81 lakhs for the year ended 31 March 2018, as considered in this Statement, in respect of four associates, whose financial results/ financial information have not been audited by us. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts included in respect of these subsidiaries, and associates, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial results and other information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's Management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. This has been done on the basis of a reporting package prepared by the Holding Company which covers accounting requirements applicable to the Statement under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and reports for consolidation purposes of those other auditors have been furnished to us. Our opinion on the Statement, in so far as it relates to the financial results of such subsidiaries located outside India, is based solely on the aforesaid audit reports of these other auditors.

We did not audit the financial statements of five subsidiaries, whose financial results/ financial information reflect total assets of INR 3,971 lakhs as at 31 March 2018 and total revenues (including other income) of INR 505 lakhs for the year ended on that date, as considered in the Statement. The Statement also include the Group's share of net profit (including other comprehensive income) of INR 0.08 lakhs for the year ended 31 March 2018, as considered in this Statement, in respect of an associate and a joint venture, whose financial results/ financial information have not been audited by us. These annual financial statements and other financial information 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 included in respect of these subsidiaries, associate and a joint venture, is based solely on such unaudited financial results/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results/ financial information are not material to the Group.

Our opinion is not modified in respect of the above matters with respect to the reports of the other auditors and the financial results/ financial information certified by the Management.



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In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiaries and associates as aforesaid and in the context of overriding effect of the accounting treatment for the merger scheme approved by the NCLT vis-à-vis the treatment that would have been applicable otherwise as described in note 8(a) to the Statement, the Statement:

- (i) includes the annual financial results of the entities listed in Annexure I;
- (ii) has been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other comprehensive income and other financial information for the year ended 31 March 2018.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024



Vipin Lodha

Partner

Membership No. 076806

Place: Bengaluru

Date: 17 May 2018

Quess Corp Limited**Annexure I: List of entities consolidated as at 31 March 2018**

Nature	S.No.	Entity name
Subsidiary/Step-subsidiary:	1	Aravon Services Private Limited
	2	Brainhunter Systems Ltd.
	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 Ltd
	10	Quessglobal Malaysia Sdn. Bhd.
	11	MFXchange Holdings Inc.
	12	MFXchange US Inc.
	13	MFXchange (Ireland) Limited [Dissolved w.e.f. 16 September 2017]
	14	Quess Lanka (Private) Limited [fka: Randstad Lanka (Private) Limited]
	15	Ikya Business Services (Private) Limited
	16	Inticore VJP Advance Systems Pvt. Ltd.,
	17	Comtel Solutions Pte. Limited
	18	Dependo Logistics Solutions Private Limited
	19	Excelus Learning Solutions Private Limited
	20	CentreQ Business Services Private Limited
	21	Conneqt Business Solutions Limited (fka: Tata Business Support Services Limited)
	22	Vedang Cellular Services Private Limited
	23	Master Staffing Solutions Private Limited
	24	Golden Star Facilities & Services Private Limited
	25	MFX Chile SpA
	26	Comtelpro Pte. Limited
	27	Comtelink Sdn. Bhd.
	28	Monster.com.SG PTE Limited
	29	Monster.com.HK Limited
	30	Monster Malaysia Sdn. Bhd
	31	Monster.com (India) Pvt Ltd
	32	Quess Corp Vietnam LLC
Associate:	1	Terrier Security Services (India) Private Limited
	2	Simpliance Technologies Private Limited
	3	Heptagon Technologies Private Limited
	4	Quess Recruit, Inc
	5	Trimax Smart Infraprojects Private Limited
Joint venture:	1	Himmer Industrial Services (M) Sdn. Bhd.

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

(INR in lakhs except per share data)

Part I: Statement of audited consolidated financial results for the quarter and year ended 31 March 2018

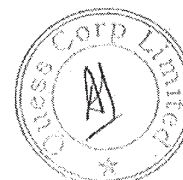
Sl. No.	Particulars	Consolidated				
		Quarter ended		Year ended		
		31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
		(Audited) (Refer note 3)	(Unaudited)	(Audited) (Refer note 3)	(Audited)	(Audited)
1	Income					
	a) Revenue from operations	189,075.30	158,395.00	123,951.72	616,726.07	431,493.20
	b) Other income	2,398.39	1,259.30	300.37	5,692.16	1,542.23
	Total income (a + b)	191,473.69	159,654.30	124,252.09	622,418.23	433,035.43
2	Expenses					
	a) Cost of material and stores and spare parts consumed	4,137.65	3,960.83	2,914.32	14,221.87	7,137.62
	b) Employee benefit expense	151,405.70	130,838.23	102,253.12	507,931.79	363,394.75
	c) Finance costs	2,515.32	1,766.90	1,655.19	7,545.39	4,786.07
	d) Depreciation and amortisation expense	2,847.30	1,830.76	1,314.44	7,474.01	3,329.95
	e) Other expenses	22,597.92	14,503.31	11,750.31	59,136.01	37,168.01
	Total expenses (a + b + c + d + e)	183,503.89	152,900.03	119,887.38	596,309.07	415,816.40
3	Profit before share of profit/ (loss) of equity accounted investees, exceptional items and tax (1 - 2)	7,969.80	6,754.27	4,364.71	26,109.16	17,219.03
4	Share of profit/ (loss) of equity accounted investees (net of income tax)	(83.58)	88.08	(34.00)	36.49	12.46
5	Profit before exceptional items and tax (3+4)	7,886.22	6,842.35	4,330.71	26,145.65	17,231.49
6	Exceptional items	-	-	-	-	-
7	Profit before tax (5 + 6)	7,886.22	6,842.35	4,330.71	26,145.65	17,231.49
8	Tax expense (refer note 10)					
	Current tax	1,947.27	1,693.09	1,113.38	6,260.55	3,508.99
	Income tax relating to previous year	1,097.87	-	-	(5,651.55)	-
	Deferred tax	(2,734.18)	(951.12)	(116.92)	(5,439.54)	1,534.56
	Total tax expense	310.96	741.97	996.46	(4,830.54)	5,043.55
9	Profit for the period (7 - 8)	7,575.26	6,100.38	3,334.25	30,976.19	12,187.94
10	Other comprehensive income					
	(i) Items that will not be reclassified subsequently to profit or loss					
	Remeasurement of defined benefit plans	(271.92)	165.29	(53.45)	(470.85)	(379.05)
	Share of other comprehensive income of equity accounted investees (net of income tax)	-	11.44	54.44	15.40	54.44
	Income tax relating to items that will not be reclassified to profit or loss	27.76	(1.35)	28.60	152.46	119.77
	(ii) Items that will be reclassified subsequently to profit or loss					
	Exchange differences in translating financial statements of foreign operations	(175.01)	(109.28)	-	(83.38)	(323.06)
	Other comprehensive (loss)/ income for the period, net of taxes	(419.17)	66.10	29.59	(386.37)	(527.90)
11	Total comprehensive income for the period (9 + 10)	7,156.09	6,166.48	3,363.84	30,589.82	11,660.04
12	Profit attributable to:					
	Owners of the Company	7,652.08	6,127.77	3,338.40	31,098.72	12,189.57
	Non-controlling interests	(76.82)	(27.39)	(4.15)	(122.53)	(1.63)
13	Other comprehensive income attributable to:					
	Owners of the Company	(419.17)	66.10	29.59	(386.37)	(527.90)
	Non-controlling interests	-	-	-	-	-
14	Total comprehensive income attributable to:					
	Owners of the Company	7,232.91	6,193.87	3,367.99	30,712.35	11,661.67
	Non-controlling interests	(76.82)	(27.39)	(4.15)	(122.53)	(1.63)
15	Paid-up equity share capital (Face value of INR 10.00 per share)	14,548.42	14,548.42	12,679.10	14,548.42	12,679.10
16	Reserves i.e. Other equity	-	-	-	231,527.90	71,767.08
17	Earning Per Share (EPS)	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
	(a) Basic (INR)	5.26	4.21	2.49	22.05	9.74
	(b) Diluted (INR)	5.21	4.17	2.46	21.82	9.59

See accompanying notes to the financial results



<p style="text-align: center;">Qess Corp Limited Registered Office: Qess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103; CIN No. L74140KA2007PLC043909</p>			
Consolidated Balance Sheet as at 31 March 2018		(INR in lakhs)	
Particulars		As at 31 March 2018	As at 31 March 2017
		(Audited)	(Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	23,249.12	5,599.01
	Capital work in progress	18.87	-
	Goodwill	109,593.33	91,872.92
	Other intangible assets	30,320.77	19,686.09
	Intangible assets under development	215.79	771.68
	Investments in equity accounted investees	8,578.78	7,398.33
	Financial assets		
	(i) Investments	297.74	365.49
	(ii) Non-current loans	5,150.58	1,582.41
	(iii) Other non-current financial assets	5,258.21	136.53
	Deferred tax assets (net)	15,556.23	4,014.70
	Income tax assets (net)	20,918.27	12,313.56
	Other non-current assets	1,792.41	571.32
	Total non-current assets	220,950.10	144,312.04
2	Current assets		
	Inventories	849.45	708.66
	Financial assets		
	(i) Investments	19,740.20	-
	(ii) Trade receivables	92,067.85	50,940.01
	(iii) Cash and cash equivalents	56,611.15	30,389.71
	(iv) Bank balances other than cash and cash equivalents above	27,040.22	15,870.07
	(v) Current Loans	17,431.63	2,363.48
	(vi) Unbilled revenue	47,287.46	38,722.03
	(vii) Other current financial assets	1,724.37	273.54
	Other current assets	6,160.90	2,771.23
	Total current assets	268,913.23	142,038.73
	Total Assets	489,863.33	286,350.77
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	14,548.42	12,679.10
	Shares to be issued pursuant to merger [refer note 8(a)]	-	46,030.53
	Other equity	231,527.90	71,767.08
	Total equity attributable to equity holders of the Company	246,076.32	130,476.71
	Non-controlling interests	157.78	88.20
	Total equity	246,234.10	130,564.91
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	(i) Non-current borrowings	26,860.08	27,444.87
	(ii) Other non-current financial liabilities	19,569.04	16,225.87
	Deferred income tax liabilities (net)	22.40	-
	Provisions	5,768.39	2,374.36
	Total non current liabilities	52,219.91	46,045.10
3	Current liabilities		
	Financial liabilities		
	(i) Borrowings	69,760.56	46,956.42
	(ii) Trade payables	14,812.32	7,776.45
	(iii) Other current financial liabilities	57,619.55	31,084.48
	Income tax liabilities (net)	961.19	522.64
	Current provisions	4,772.88	2,984.07
	Other current liabilities	43,482.82	20,416.70
	Total current liabilities	191,409.32	109,740.76
	Total Equity and Liabilities	489,863.33	286,350.77

See accompanying notes to the financial results



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CIN No. L74140KA2007PLC043909

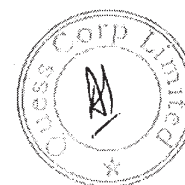
Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these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

(INR in lakhs)

Statement of audited consolidated segment wise revenue, results, assets and liabilities for the quarter and year ended ended 31 March 2018:

Sl. No.	Particulars	Consolidated				
		Quarter ended			Year ended	
		31 March 2018	31 December 2017	31 March 2017	31 March 2018	31 March 2017
		(Audited) (Refer note 3)	(Unaudited)	(Audited) (Refer note 3)	(Audited)	(Audited)
1	Segment revenue					
	a) People and services	83,990.79	73,557.16	60,801.98	287,814.10	234,541.08
	b) Global technology solutions	60,806.91	48,032.08	34,959.22	186,806.69	118,296.65
	c) Integrated facility management	28,913.58	26,344.89	22,503.33	102,725.19	56,218.43
	d) Industrials	13,025.09	10,460.87	5,687.19	37,041.16	22,437.04
	e) Internet business	2,338.93	-	-	2,338.93	-
	Total Income from operations	189,075.30	158,395.00	123,951.72	616,726.07	431,493.20
2	Segment results					
	a) People and services	3,769.41	3,521.93	2,980.30	13,624.35	10,890.38
	b) Global technology solutions	3,851.34	3,100.87	2,155.92	11,805.90	8,193.35
	c) Integrated facility management	1,870.56	1,765.11	1,353.88	6,715.02	3,054.87
	d) Industrials	486.61	383.11	271.28	1,497.62	1,709.41
	e) Internet business	(361.90)	-	-	(361.90)	-
	Total	9,616.02	8,771.02	6,761.38	33,280.99	23,848.01
	Less: (i) Unallocated corporate expenses	1,529.29	1,509.15	1,041.85	5,318.60	3,385.14
	Less: (ii) Finance costs	2,515.32	1,766.90	1,655.19	7,545.39	4,786.07
	Add: (iii) Other income	2,398.39	1,259.30	300.37	5,692.16	1,542.23
	Add: (iv) Share of profit/ (loss) of equity accounted investees (net of income tax)	(83.58)	88.08	(34.00)	36.49	12.46
	Total profit before tax	7,886.22	6,842.35	4,330.71	26,145.65	17,231.49
3	Segment assets					
	a) People and services	42,809.19	45,158.42	35,202.16	42,809.19	35,202.16
	b) Global technology solutions	132,538.39	126,897.61	73,453.63	132,538.39	73,453.63
	c) Integrated facility management	101,772.97	99,687.71	92,361.69	101,772.97	92,361.69
	d) Industrials	25,552.78	20,424.77	10,570.10	25,552.78	10,570.10
	e) Internet business	18,493.38	-	-	18,493.38	-
	f) Unallocated	168,696.62	153,045.43	74,763.19	168,696.62	74,763.19
	Total	489,863.33	445,213.94	286,350.77	489,863.33	286,350.77
4	Segment liabilities					
	a) People and services	29,433.67	19,300.06	23,241.85	29,433.67	23,241.85
	b) Global technology solutions	42,967.14	42,847.45	16,252.91	42,967.14	16,252.91
	c) Integrated facility management	15,597.43	18,233.60	13,769.33	15,597.43	13,769.33
	d) Industrials	8,665.02	7,135.99	3,792.01	8,665.02	3,792.01
	e) Internet business	13,142.20	-	-	13,142.20	-
	f) Unallocated	133,823.77	119,162.35	98,729.76	133,823.77	98,729.76
	Total	243,629.23	206,679.45	155,785.86	243,629.23	155,785.86

See accompanying notes to the financial results



Audited consolidated financial results for the quarter and year ended 31 March 2018

Notes :

- 1 The above results of Quess Corp Limited (the 'Company') including its subsidiaries (collectively known as the 'Group'), its associates and its joint venture are prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013. The consolidated figures above include figures of the subsidiaries, associates and joint venture as mentioned in Appendix 1 to this notes.
- 2 The Statement of consolidated financial results ('the Statement') of the Group, its associates and its joint venture for the quarter and year ended 31 March 2018 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 17 May 2018.
- 3 The consolidated figures for the year ended 31 March 2018 have been audited by the Statutory Auditors of the Company. The reports of the Statutory Auditors are unqualified. The Audit report of the Statutory auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and is also available on the Company's website www.quescorp.com. The consolidated figures for the quarters ended 31 March 2018 and 31 March 2017 are the balancing figures between audited figures in respect of the full financial years and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which were subjected to limited review by the Statutory Auditors of the Company.
- 4 These financial results 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 the SEBI (Listing Obligations and Disclosure Requirements)
- 5 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish audited consolidated financial results in the newspapers. However, the audited standalone financial results of the Company will be made available on the Company's website www.quescorp.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 6 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 estimated issue expenses).

Details of utilisation of IPP proceeds are as follows:

(INR in lakhs)			
Particulars	Objects of the issue as per the prospectus	Utilised upto 31 March 2018	Unutilised amount as on 31 March 2018
Acquisitions and other strategic initiatives	62,500.00	34,236.00	28,264.00
Funding incremental working capital requirement of our Company	15,000.00	15,000.00	-
General corporate purpose	7,254.90	2,421.00	4,833.90
Total	84,754.90	51,657.00	33,097.90

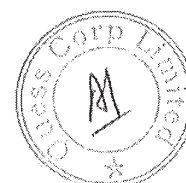
Unutilised amounts of the issue have been temporarily deployed in fixed deposit with banks and invested in mutual funds which is in accordance with objects of the issue. The deployment of net proceeds is expected to be complete by 2020. Expenses estimated by the Company amounting to INR 2,637.33 lakhs, in connection with IPP have been adjusted towards the securities premium in accordance with Section 52 of the Companies Act, 2013.

- 7 During the previous year ended 31 March 2017, the Company has completed the Initial Public Offering (IPO) and raised a total capital of INR 40,000.00 lakhs by issuing 12,618,297 equity shares of INR 10.00 each at a premium of INR 307.00 per equity share. The equity shares of the Company got listed on NSE and BSE effective from 12 July 2016. The proceeds from IPO is INR 37,038.47 lakhs (net of issue expenses).

Details of utilisation of IPO proceeds are as follows:

(INR in lakhs)			
Particulars	Objects of the issue as per the prospectus	Utilised upto 31 March 2018	Unutilised amount as on 31 March 2018
Repayment of debt availed by the Company	5,000.00	5,000.00	-
Meeting capital expenditure requirement of the Company and Subsidiary MFX US	7,171.70	7,171.70	-
Funding incremental working capital requirement of our Company	15,790.10	15,790.10	-
Acquisitions and strategic initiatives	8,000.00	8,000.00	-
General corporate purpose	1,076.67	1,076.67	-
Total	37,038.47	37,038.47	-

Expenses incurred by the Company amounting to INR 2,961.53 lakhs, in connection with IPO have been adjusted towards the securities premium in accordance with Section 52 of the Companies Act, 2013.



8 Acquisitions:

- a) During the previous year ended 31 March 2017, the Company had entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated 28 November 2016 to demerge the Facility Management Business and Catering Business (together means "Identified Business" or "Merged Business") of MIS through the Scheme of Arrangement ("the Scheme") at a consideration of INR 67,909.00 lakhs. The Board vide its meeting dated 28 November 2016 had approved the draft Scheme of Arrangement and filed the Scheme with BSE and NSE. The Company in the previous year had received the approval from BSE and NSE dated 23 March 2017 and 27 March 2017 respectively.

During the quarter ended 31 December 2017, the Company has obtained approval from the National Company Law Tribunal ("NCLT") dated 30 November 2017, to merge Identified Business of MIS. The scheme has been filed with Registrar of Companies ("ROC") on 13 December 2017. The appointed date of the scheme is 1 December 2016 which is the effective date of merger approved by NCLT. The NCLT order override the requirements under Ind AS 103, Business Combinations, and hence the Company has considered the date of acquisition as 1 December 2016. The Company has considered the said merger as a business acquisition from the appointed date and accordingly have restated its results for the comparative quarters/ periods including Earnings Per Share. The impact of merger on the Statement are as follows:

(INR in lakhs)

Particulars	for the quarter ended 31 March 2018	for the quarter ended 31 December 2017	for the quarter ended 31 March 2017	for the year ended 31 March 2018	for the year ended 31 March 2017
Revenue (including other income)	14,520.72	13,117.29	11,757.14	50,710.91	15,774.28
Total expenditure	12,913.54	12,581.61	11,027.99	47,794.28	14,771.63
Profit after tax	1,607.18	535.68	729.15	2,916.63	1,002.65
Basic Earning Per Share	1.10	0.37	0.54	2.07	0.80
Diluted Earnings Per Share	1.09	0.36	0.54	2.05	0.79

The identified business includes two subsidiaries namely Master Staffing Solutions Private Limited (100% owned) and Golden Star Facilities & Services Private Limited (60% owned). The Company has a contractual commitment to acquire the non-controlling interest in Golden Star Facilities & Services Private Limited. During the year, the Company has completed the purchase price allocation and has recognised assets and liabilities of the acquired business at its fair value including intangible assets. Post allocation of purchase price, the Company has recorded goodwill of INR 60,054.81 lakhs.

- b) During the previous year ended 31 March 2017, the Company had entered into Share Purchase Agreement ("SPA") with Comtel Solutions Pte. Ltd. ('Comtel') and its shareholder, Mr. Gopal Vasudev, to acquire controlling stake in Comtel. The Company in the previous year has opted for the measurement period exemption and has carried out the purchase price allocation on a provisional basis. During the year, the Company has completed the purchase price allocation and has recognised assets and liabilities of the acquired business at its fair value including intangible assets. Based on the purchase price allocation, the Company has identified the customer relationships aggregating INR 7,966.73 lakhs as at 14 February 2017 to be amortised over its estimated useful life of 7 years. The impact of the purchase price allocation as compared to provisional allocation is as follows:

(INR in lakhs)

Particulars	31 March 2017		
	Provisional purchase price allocation	Final purchase price allocation	Impact
Purchase price consideration	25,094.49	25,465.59	371.10
Net assets and liabilities acquired	6,988.35	6,988.35	-
Customer relationships	-	7,966.73	7,966.73
Deferred tax liability arising on identified intangibles	-	(1,354.34)	(1,354.34)
Goodwill	18,106.14	11,864.86	(6,241.28)
Impact on the profit for the year ended 31 March 2017	-	-	158.76

- c) During the year ended 31 March 2018, the Company has entered into Share Purchase Agreement ("SPA") and Share Holders Agreement ("SHA") dated 20 November 2017 with Tata Business Support Services Limited ("TBSS") and its shareholders to acquire 100% equity stake in TBSS at an estimated consideration of INR 32,166.68 lakhs. In accordance with the SPA and SHA, during the quarter the Company has acquired 51% stake for consideration of INR 15,272.82 lakhs and thus TBSS has become the subsidiary of the Company. The Company has a contractual commitment to acquire the non-controlling interest. The Management has opted for the measurement period exemption and has carried out the provisional Purchase Price Allocation which has resulted into a goodwill of INR 6,949.11 lakhs.
- d) During the year ended 31 March 2018, the Company has entered into Share Purchase Agreement ("SPA") and Share Holders Agreement ("SHA") dated 25 October 2017 with Vedang Cellular Services Private Limited ("Vedang") and its shareholders to acquire 100% equity stake in Vedang. In accordance with the SPA and SHA, during the year the Company has acquired 70% stake for a consideration of INR 3,990.00 lakhs and thus Vedang has become the subsidiary of the Company. The Company has a contractual commitment to acquire the non-controlling interest. The Management has opted for the measurement period exemption and has carried out the provisional Purchase Price Allocation which has resulted into a goodwill of INR 2,531.83 lakhs.
- e) During the year ended 31 March 2018, the Company along with its subsidiary has entered into an arrangement with Monster Group to acquire controlling stake in certain entities of Monster Group at an estimated consideration of INR 14,400.00 lakhs. The Management has opted for the measurement period exemption and has carried out the provisional Purchase Price Allocation which has resulted into a goodwill of INR 7,506.99 lakhs.
- f) During the year ended 31 March 2018, the Company has entered into a Share Subscription Agreement ("SSA") dated 21 June 2017 with Heptagon Technologies Private Limited ("Heptagon") and has acquired 46% of shares for a consideration of INR 977.00 lakhs. Accordingly, Heptagon has become the associate of the Company.

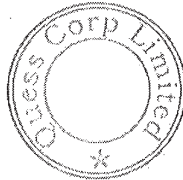


- 9 During the year ended 31 March 2018, the Company has granted options to employees under the ESOP Scheme 2015. The Company has granted 230,680 stock options to employees at the exercise price of INR 10.00 each which has graded vesting over a period of 3 years. Accordingly, the Company has accounted for ESOP cost aggregating to INR 698.46 lakhs at fair value for the year ended 31 March 2018.
- 10 As per the amendment in the Finance Act 2016, deduction under Section 80JJAA of Income Tax Act, 1961 was extended across all sectors subject to fulfilment of conditions as stipulated in the said Section. The amendment was first applicable for the financial year ended 31 March 2017. Since the provision was subject to a number of clarifications and interpretations, the Company had obtained an opinion from an external advisor establishing its eligibility and method to compute deduction under Section 80JJAA during the year ended 31 March 2018. Resultantly, the Company had accounted for 80JJAA deduction and the related deduction for the year ended 31 March 2017 in the current year.
- 11 Thomas Cook (India) Limited ("TCIL"), the Holding Company, in its board meeting dated 23 April 2018, ratified the management's decision to reclassify its investments in Quess Corp Limited from a Subsidiary to an Associate Company effective 1 March 2018. Post 31 March 2018, the Company has entered into a Composite Scheme of Arrangement and Amalgamation with 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 business (including investment in shares of Quess Corp Limited) into Quess Corp Limited. As a part of consideration, the Company will issue its own shares to the shareholders of TCIL.
- 12 Subsequent to the year ended 31 March 2018, the Company has acquired controlling stakes in Green Piece Landscapes India Private Limited and Qdigi Services Limited (formerly known as HCL Computing Products Limited).

for and on behalf of the Board of Directors of
Quess Corp Limited



Ajit Isaac
Chairman & Managing Director
Place: Bengaluru
Date: 17 May 2018



Appendix - 1

Nature	Sl. No.	Entity name
Subsidiary/Step-subsubsidiary:	1	Aravon Services Private Limited
	2	Brainhunter Systems Ltd.
	3	Mindwire Systems Limited
	4	Brainhunter Companies LLC
	5	Coachieve Solutions Private Limited
	6	MFX Infotech Private Limited
	7	MFXchange (Ireland) Ltd.(dissolved w e.f 16 September 2017)
	8	Quess Philippines Corp.
	9	Quess Corp (USA) Inc
	10	Quess Corp Holdings Pte Ltd
	11	Quessglobal Malaysia Sdn. Bhd.
	12	MFXchange Holdings Inc.
	13	MFXchange US Inc.
	14	Quess Lanka (Private) Limited [(fka: Randstad Lanka (Private)Limited)]
	15	Ikya Business Services (Private) Limited
	16	Inticore VJP Advance Systems Pvt. Ltd.,
	17	Comtel Solutions Pte. Limited
	18	Dependo Logistics Solutions Private Limited
	19	Excelus Learning Solutions Private Limited
	20	CentreQ Business Services Private Limited
	21	Conneqt Business Solutions Limited (fka: Tata Business Support Services Limited)
	22	Vedang Cellular Services Private Limited
	23	Master Staffing Solutions Private Limited
	24	Golden Star Facilities & Services Private Limited
	25	MFX Chile SpA
	26	Comtelpro Pte. Limited
	27	Comtelink Sdn. Bhd.
	28	Monster.com.SG PTE Limited
	29	Monster.com.HK Limited
	30	Monster Malaysia SDN BHD
	31	Monster.com (India) Private Limited
	32	Quess Corp Vietnam LLC
Associate:	1	Terrier Security Services (India) Private Limited
	2	Simpliance Technologies Private Limited
	3	Heptagon Technologies Private Limited
	4	Quess Recruit, Inc
	5	Trimax IT Infrastructure & Services Private Limited
Joint venture:	1	Himmer Industrial Services (M) Sdn. Bhd.

