

B S R & Associates LLP

Chartered Accountants

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Limited review report on unaudited quarterly standalone financial results of Quess Corp Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of Quess Corp Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of Quess Corp Limited ('the Company') for the quarter ended 30 June 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the 3 months ended 31 March 2018 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in the meeting held on 26 July 2018. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement ('SRE') 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Vipin Lodha

Partner

Membership No. 076806

Place: Bengaluru

Date: 26 July 2018

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

Part 1: Statement of unaudited standalone financial results for the quarter ended 30 June 2018

(INR in lakhs except per share data)

Sl. No.	Particulars	Standalone			
		Quarter ended		Year ended	
		30 June 2018	31 March 2018	30 June 2017	31 March 2018
		(Unaudited)	(Refer note 2)	(Unaudited) (Restated)*	(Audited)
1	Income				
	a) Revenue from operations	1,29,769.28	1,29,293.22	94,906.44	4,41,080.79
	b) Other income	1,079.24	1,204.31	399.58	4,630.25
	Total income (a + b)	1,30,848.52	1,30,497.53	95,306.02	4,45,711.04
2	Expenses				
	a) Cost of material and stores and spare parts consumed	2,930.70	3,600.69	2,426.47	12,305.84
	b) Employee benefit expense	1,04,805.56	1,04,226.19	79,105.86	3,64,302.10
	c) Finance costs	1,397.71	1,182.20	1,220.85	4,620.79
	d) Depreciation and amortisation expense	1,110.69	983.87	796.03	3,531.44
	e) Other expenses	15,213.60	14,283.38	7,818.62	40,548.52
	Total expenses (a + b + c + d + e)	1,25,458.26	1,24,276.33	91,367.83	4,25,308.69
3	Profit before exceptional items and tax (1-2)	5,390.26	6,221.20	3,938.19	20,402.35
4	Exceptional items	-	-	-	-
5	Profit before tax (3 + 4)	5,390.26	6,221.20	3,938.19	20,402.35
6	Tax expense/(credit)				
	Current tax	1,121.71	1,314.02	802.94	4,205.15
	Income tax relating to previous year	-	1,140.28	-	(5,711.60)
	Deferred tax	(726.43)	(1,166.52)	(785.57)	(4,017.59)
	Total tax expense/(credit)	395.28	1,287.78	17.37	(5,524.04)
7	Profit for the period (5 - 6)	4,994.98	4,933.42	3,920.82	25,926.39
8	Other comprehensive income				
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
	• Remeasurement of defined benefit plans	(299.56)	(159.95)	(78.86)	(520.26)
	Income tax relating to items that will not be reclassified to profit or loss	103.67	41.12	27.29	165.82
	Other comprehensive income for the period, net of taxes	(195.89)	(118.83)	(51.57)	(354.44)
9	Total comprehensive income for the period (7 + 8)	4,799.09	4,814.59	3,869.25	25,571.95
10	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
11	Reserves i.e. Other equity				2,21,598.98
12	Earnings Per Share (EPS)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (INR)	3.43	3.39	2.93	18.38
	(b) Diluted (INR)	3.40	3.36	2.89	18.19

* Refer note 6 (a)

See accompanying notes to the financial results



Quess Corp Limited

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Unaudited financial results for the quarter ended 30 June 2018

Notes :

- 1 The Statement of unaudited standalone financial results ("the Statement") of Quess Corp Limited ("the Company") for the quarter ended 30 June 2018 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 26 July 2018.
- 2 The figures for the quarter ended 30 June 2018 was subjected to 'Limited Review' by the Statutory Auditors of the Company. The review 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.quesscorp.com. The figures for the quarter ended 31 March 2018 are the balancing figures between audited figures in respect of the full previous financial year and the published unaudited year to date figures upto the end of the third quarter ended 31 December 2017, which were subjected to limited review by the Statutory Auditors of the Company.
- 3 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) Regulations, 2015. In accordance with Ind AS 108, Operating segments, segment information has been provided in the unaudited consolidated financial results of the Company and therefore no separate disclosure on segment information is given in these unaudited standalone financial results.
- 4 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish unaudited consolidated financial results in the newspapers. However, the unaudited standalone financial results of the Company will be made available on the Company's website www.quesscorp.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 5 During the quarter ended 30 September 2017, 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 30 June 2018	Unutilised amount as on 30 June 2018
Acquisitions and other strategic initiatives	62,500.00	38,648.76	23,851.24
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	60,903.66	23,851.24

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 completed 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.

6 Acquisitions:

- (a) During the 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 68,030.53 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 had received the approval from BSE and NSE dated 23 March 2017 and 27 March 2017 respectively.

During the previous year ended 31 March 2018, 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 was 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 quarter including Earnings Per Share ("EPS").

The impact of merger on the Statement are as follows:

Particulars	For the quarter ended
	30 June 2017
Revenue (including other income)	5,229.14
Total expenditure	4,703.09
Profit after tax	1,390.29
Basic Earning Per Share	1.04
Diluted Earnings Per Share	1.02

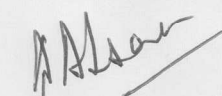
The identified business includes two subsidiaries namely Master Staffing Solutions Private Limited (100.00% owned) and Golden Star Facilities and Services Private Limited (60.00% owned). The Company has a contractual commitment to acquire the non-controlling interest in Golden Star Facilities and Services Private Limited. During the previous year ended 31 March 2018, 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 55,301.60 lakhs.

- (b) During the previous year ended 31 March 2018, the Company has entered into Share Purchase Cum Shareholder's Agreement ("SPSHA") dated 24 January 2018 and subsequent amendment agreement dated 28 March 2018 with Greenpiece Projects Private Limited, Greenpiece Landscapes India Private Limited ("GLIPL") and its Shareholders to acquire equity stake in GLIPL. As per these agreements, the Company has agreed to acquire 100.00% equity stake in GLIPL in various tranches. During the current quarter ended 30 June 2018, the Company has acquired 90% equity stake in GLIPL at a consideration of INR 2,160.00 lakhs and thus GLIPL has become the subsidiary of the Company. The Company has a contractual commitment to acquire the non-controlling interest.



- (c) During the quarter, the Company has acquired 100% equity stake in HCL Computing Products Limited ("HCPL") at an estimated consideration of INR 3,000 lakhs and thus HCPL has become the subsidiary of the Company. The name of HCPL has been changed to Qdigi Services Limited w.e.f. 21 February 2018.
- 7 Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. The standard is applied retrospectively only to contracts that were not completed as at the date of 1 April 2018 and the comparative information is not restated in the unaudited standalone financial results. The adoption of the standard did not have any material impact to the unaudited financial results of the Company.
- 8 During the quarter ended 30 June 2018, the Company has 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 Qess Corp Limited) into the Company on a going concern basis. The Board vide its meeting dated 23 April 2018 had approved the Scheme and filed the Scheme with BSE and NSE and is awaiting approval. As a part of consideration, the Company will issue its own shares to the shareholders of TCIL.
- 9 Subsequent to the quarter ended 30 June 2018, the Company has entered into contractual arrangements to acquire controlling stakes in Qess East Bengal FC Private Limited.

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



Ajit Isaac
Chairman & Managing Director
Place: Bengaluru
Date: 26 July 2018

