

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

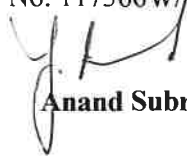
**TO THE BOARD OF DIRECTORS OF
QUESS CORP LIMITED**

1. We have reviewed the Financial Results of **QUESS CORP LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2018, included in the statement of Standalone Unaudited Financial Results of Quess Corp Limited ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for 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 issue a report on the Statement based on our review.

2. 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or the financial results for the quarter and nine months ended December 31, 2018 contain any material misstatement.

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


Anand Subramanian
Partner
(Membership No. 110815)

Bengaluru, January 24, 2019

Part 1: Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2018

(INR in lakhs except per share data)

Sl. No.	Particulars	Standalone					
		Quarter ended			Nine months ended		Year ended
		31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Income						
	a) Revenue from operations	1,42,700.56	1,35,420.66	1,13,710.97	4,07,890.50	3,11,787.56	4,41,080.79
	b) Other income	1,432.49	996.78	1,336.94	3,508.51	3,425.94	4,630.25
	Total income (a + b)	1,44,133.05	1,36,417.44	1,15,047.91	4,11,399.01	3,15,213.50	4,45,711.04
2	Expenses						
	a) Cost of material and stores and spare parts consumed	3,254.97	3,395.20	3,500.87	9,580.87	8,705.16	12,305.84
	b) Employee benefits expense	1,15,570.32	1,10,063.08	94,259.47	3,30,438.96	2,60,075.91	3,64,302.10
	c) Finance costs	1,745.08	1,557.86	1,129.16	4,700.65	3,438.58	4,620.79
	d) Depreciation and amortisation expense	1,120.28	1,123.35	923.35	3,354.32	2,547.57	3,531.44
	e) Other expenses	16,249.47	14,845.74	10,345.40	46,308.81	26,265.15	40,548.52
	Total expenses (a + b + c + d + e)	1,37,940.12	1,30,985.23	1,10,158.25	3,94,383.61	3,01,032.37	4,25,308.69
3	Profit before exceptional items and tax (1-2)	6,192.93	5,432.21	4,889.66	17,015.40	14,181.13	20,402.35
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3 + 4)	6,192.93	5,432.21	4,889.66	17,015.40	14,181.13	20,402.35
6	Tax expense/(credit) [refer note 7]						
	Current tax	1,326.97	1,084.63	996.85	3,533.31	2,891.13	4,205.15
	Income tax relating to previous year	-	-	-	-	(6,851.88)	(5,711.60)
	Deferred tax	(852.61)	(783.23)	(984.32)	(2,362.27)	(2,851.06)	(4,017.59)
	Total tax expense/(credit)	474.36	301.40	12.53	1,171.04	(6,811.81)	(5,524.04)
7	Profit for the period (5 - 6)	5,718.57	5,130.81	4,877.13	15,844.36	20,992.94	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	(370.28)	(52.71)	3.91	(722.55)	(360.32)	(520.26)
	Income tax relating to items that will not be reclassified to profit or loss	129.39	19.42	(1.35)	252.48	124.70	165.82
	Other comprehensive income for the period, net of taxes	(240.89)	(33.29)	2.56	(470.07)	(235.62)	(354.44)
9	Total comprehensive income for the period (7 + 8)	5,477.68	5,097.52	4,879.69	15,374.29	20,757.32	25,571.95
10	Paid-up equity share capital (Face value of INR 10.00 per share)	14,608.48	14,608.48	14,548.42	14,608.48	14,548.42	14,548.42
11	Reserves i.e. Other equity						2,21,598.98
12	Earnings Per Share (EPS)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (INR)	3.91	3.53	3.35	10.87	15.04	18.38
	(b) Diluted (INR)	3.89	3.51	3.32	10.81	14.88	18.19

See accompanying notes to the financials results



Quess Corp Limited

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

Unaudited Standalone financial results for the quarter and nine months ended 31 December 2018**Notes :**

- The statement of unaudited standalone financials results ("the Statement") of Quess Corp Limited ("the Company") for the quarter and nine months ended 31 December 2018 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.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 24 January 2019. The statutory auditors, have issued an unqualified review report. Standalone financial results for the quarter and nine months ended 31 December 2017 and year ended 31 March 2018 were reviewed / audited by previous auditors.
- Pursuant to the provisions of the Listing Agreement, the Management has decided to publish unaudited consolidated financial results in the newspapers. 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.
- 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.
- During the previous year ended 31 March 2018, the Company had 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:

Particulars	Objects of the issue as per the prospectus	(INR in lakhs)	
		Utilised upto 31 December 2018	Unutilised amount as on 31 December 2018
Acquisitions and other strategic initiatives	62,500.00	50,316.26	12,183.74
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	72,571.16	12,183.74

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:

- During the previous year ended 31 March 2018, the Company had 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 quarter ended 30 June 2018, the Company had acquired 90.00% 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.
 - During the quarter ended 30 June 2018, the Company had acquired 100.00% equity stake in HCL Computing Products Limited ("HCPL") at an estimated consideration of INR 3,000.00 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.
 - During the half year ended 30 September 2018, the Company had entered into an agreement (amendment to the original share subscription agreement dated 19 October 2016) with Simpliance Technologies Private Limited ("STPL") to subscribe for additional 8.00% equity stake at a consideration of INR 200.00 lakhs. Accordingly, the Company's equity stake has increased to 53.00% and STPL has become the subsidiary of the Company.
 - During the half year ended 30 September 2018, the Company had entered into a Share Purchase Agreement ("SPA") dated 5 September 2018 with Heptagon Technologies Private Limited ("Heptagon") and its shareholders to acquire additional 3.00% shares for a consideration of INR 150.00 lakhs. As of 31 December 2018, the Company holds 49.00% equity stake in Heptagon.
 - During the half year ended 30 September 2018, the Company had entered into a Share Purchase Agreement ("SPA") dated 5 July 2018 with Quess East Bengal FC Private Limited ("QEBFC") and its shareholders to subscribe for 70.00% shares for a consideration of INR 1,003.50 lakhs. During the quarter ended 31 December 2018, the Company has completed the transaction and QEBFC has become the associate of the Company.
- As per the amendment in the Finance Act 2016, deduction under Section 80JAA 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 80JAA during the year ended 31 March 2018. Resultantly, the Company has accounted for 80JAA deduction, for the year ended 31 March 2018 and the year ended 31 March 2017, in the previous year ended 31 March 2018.



8 Effective 1 April 2018, the Company had 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.

9 During the quarter ended 30 June 2018, 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 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.

10 During the half year ended 30 September 2018, the Company had completed the sale of 74.00% equity stake in Inticore VJP Advance Systems Private Limited.

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



Aji Isaac
Chairman & Managing Director
Place: Bengaluru
Date: 24 January 2019

