QUESS
WINNING TOGETHER

Quess Corp Limited
Annual Report 2020-21

Contents

1 Corporate Overview

35 Statutory Reports

109 Financial Statements

14th Annual General Meeting

21st September 2021 at 03.30 p.m through video conference and other audio visual means

For the online version of the Annual Report please visit www.quesscorp.com/investors

Forward-looking statements

Some information in this report may contain forward-looking statements regarding Company's expected financial position and results of operations, business plans and prospects etc and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward- looking statements are dependent on assumptions or basis underlying such statements. We have based these assumptions in good faith, and we believe they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Corporate Information

Board of Directors

Ajit Isaac
Executive Chairman

Revathy Ashok
Non-Executive, Independent Director

Kalpathi Ratna Girish
Non-Executive, Independent Director
(w.e.f. 31 August 2020)

Sanjay Anandaram
Non-Executive, Independent Director

Gaurav Mathur
Non-Executive, Independent Director
(w.e.f. 31 August 2020)

Chandran Ratnaswami
Non-Executive Director

Gopalakrishnan Soundarajan
Non-Executive Director

K. Suraj Moraje
Managing Director and Group CEO
(w.e.f. April 1 2021)

Registered Office

3/3/2, Bellandur Gate, Sarjapur Main Road,
Bengaluru – 560103, Karnataka, India
www.quesscorp.com

Investor Cell

Kundan K Lal
Vice President & Company Secretary
investor@quesscorp.com

Registrar

Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli (W)
Mumbai – 400083, Maharashtra, India
www.linkintime.co.in

Auditors

Deloitte Haskins & Sells LLP
Prestige Trade Tower, Level 19 46, Palace
Road, High Grounds, Bengaluru – 560001,
Karnataka, India

Bankers

Axis Bank Limited
Bank of Baroda
Citibank N.A
HDFC Bank Limited
HSBC Limited
ICICI Bank Limited
IDFC First Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
State Bank of India
Standard Chartered Bank
The Bank of Nova Scotia
The Federal Bank Limited
Union Bank of India
Yes Bank Limited

About Us

Established in

2007

QUESS IS INDIA'S LEADING BUSINESS SERVICES PROVIDER, DRIVING PRODUCTIVITY FOR CLIENTS WITH TECHNOLOGY.

We provide a host of technology-enabled staffing and managed outsourcing services across processes such as sales and marketing, customer care, after-sales service, back-office operations, manufacturing operations, facilities and security management, HR and F&A operations, IT & mobility services, etc.

Our passion for delivering exceptional services, augmented by proprietary digital platforms, drives us to be one of the largest private sector employer, and the biggest integrated business services provider in India. We are proud to achieve this success as a 14-year-old start-up.

Our core values are driving our business to constantly make our workforce more productive. Our business strategy is aligned to this, including training and skill development for better employability, helping job seekers easily find employment opportunities, digitising workflows, and enabling social security benefits for a wider population.

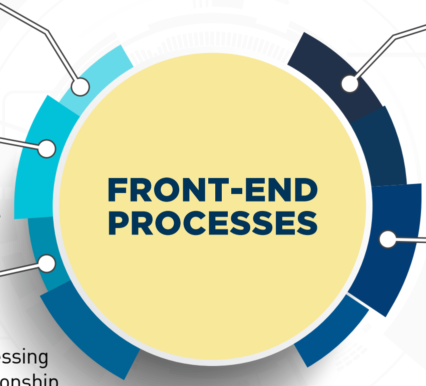
Established in 2007 and headquartered in Bengaluru, Quess has unmatched geographic presence across India, South East Asia & North America, backed by technological capacity and domain specialisation to create unmatched service experiences.

Purpose

To build a leading institution that drives productivity for clients by outsourcing and optimising their key business processes, and to be the preferred firm for employees, customers and investors alike

Quess Corp at a glance

At Quess, we believe that every service and product should be optimally designed to deliver maximum value to our clients. We combine our domain expertise and pool of skilled resources with a digital-first approach to deliver unparalleled business solutions. From end-to-end integrated Facility Management Services to ManTech security services, Omni-channel Customer Life Cycle Management to digital IT Services; **we are India's largest business services platform, driving productivity for our clients across processes.**



Marketing Services

- Market activations
- Visual merchandising execution
- Product promotions
- Field campaigns

In-store & Field Sales

- In-store execution
- Feet on the street execution
- Tele sales support
- Outbound and inbound logistics
- Agency Based Sales & Services

Customer Lifecycle Management

- Back office automation & processing
- Omni-channel Customer Relationship Management
- CRM digitization
- Back office automation & processing
- Collections & Reconciliation

Installation & After Sales Services

- Inbound support services
- Door step installation
- Break fix services
- Extended Warranty Services

Industrial Operations & Maintenance

- Asset Management
- IOT-based solutions
- Industrial O&M
- Core skills training

Finance and Accounting Outsourcing

- F&A processing
- Reconciliation services
- Procure to Pay
- Order to Cash
- Record to Report
- Vendor Help Desk

Compliance Tech & Services

- Labour compliance management
- Bespoke Audit Management
- Regulatory Compliance
- Enterprise Risk Management
- Environment, Health & Safety

Staffing & Payroll

- Payroll processing and compliance
- Job Portal
- Recruitment
- Executive Search

Facilities Maintenance & Security

- Integrated facilities
- Management Services
- Food services
- Landscaping
- Security
- Sterifumigation

HR Operations

- Hire-to-Retire solutions
- Recruiting
- Onboarding based Sales & Service
- Work Utilities, Payroll & Attendance
- Career Advancement
- Employee Retention & eNPS
- Post-Employment & Retiral
- Compliance Services

Infrastructure & Digital IT Services

- IT staffing solutions
- IT infra management
- Digital IT Services
- Automation and RPA
- Cyber security
- Asset tracking tools
- Workforce management tools

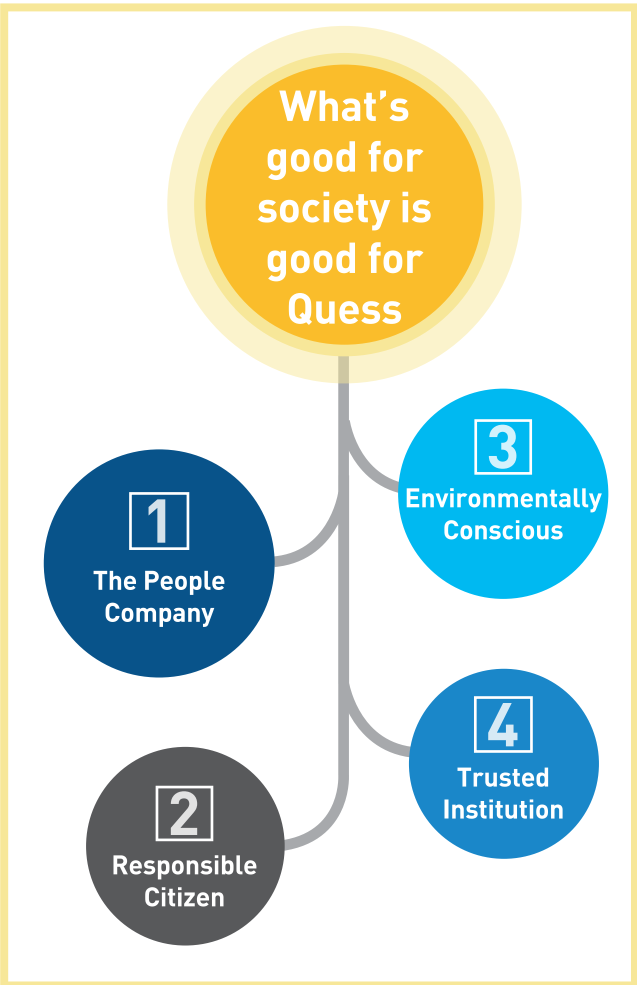
What's good for society is good for Quess

1

- **106,000 employees (30%)** hired in FY21 enjoyed social security benefits for first time
- **95,000 employees (27%)** hired in FY21 were from outside tier-1 and tier-2 cities
- **17% of our 363K employees** (~26% of core) were women as on 31 March 2021
- Re-certified **Great Place to Work**
- **132,000 employees** surveyed revealed happiness score of **3.85 (on a scale of 4)**

2

- At the **frontline of the fight against COVID** - 57 hospitals, 3 airports and 11 infrastructure and public utilities maintained during COVID-19
- **Keeping India safe** through our network of about 16,000 security professionals
- **₹ 29 billion in taxes and statutory contributions paid** in FY21, representing 26% of Revenue



3

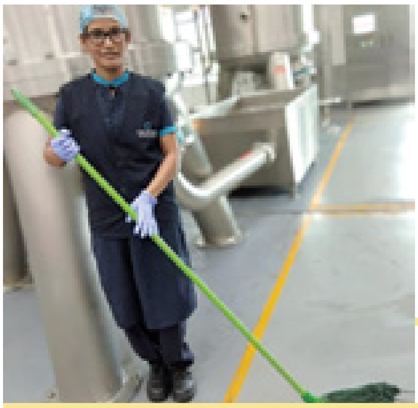
- **4.2 million sq. ft.** of green spaces maintained across India
- Business model drives **e-waste reduction** 900,000 devices repaired by QDigi
- **Responsible waste management,** including 500 kgs of e-waste disposed responsibly and 5,500 kgs of paper waste shredded and recycled

4

- **Value-driven** company, at the forefront of **driving responsible labour practices** in India
- **Industry-leading business processes, with robust culture** on Code of Conduct, Anti-Bribery & Corruption, Whistle-Blower, etc.
- Quess Corp and our large subs (AllSec and Conneqt) are **ISO 27001:2013 certified**

*All numbers are rounded-off

Improving lives



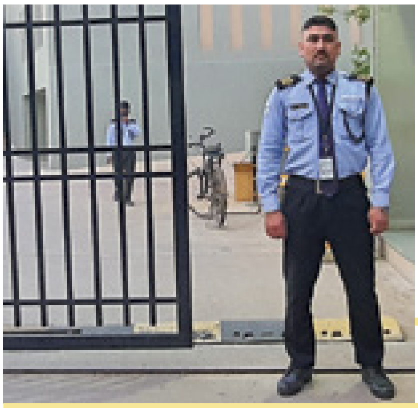
"Working with Quess for the last three years has made me become a better person who is aware, confident and happy. Everyone in my family experienced this positive change in me.

Being financially independent, I am able to support my family. This job has helped me and my family gain social status and income stability. Now I am confident about educating my children and making them independent."

Senva Chnadirikaban Bhartbahi
Chambermaid

"I feel blessed to be working with Quess. Earlier this year, when I was down with COVID-19 and admitted in the ICU, I was battling the disease as well as mounting ICU charges of ₹ 25,000 per day. After exhausting our savings, my family was contemplating borrowing money. That is when Quess HR team stepped in and quickly issued a salary advance with flexible payback options. I am beyond grateful to the organisation for helping me out in this difficult period of my life."

Vinod Kumar
Customer Finance Analyst



"I joined the Terrier team as a guard in 2015 and have now been promoted to the position of Area Security Officer. Quess has given me an opportunity to grow, for which I will forever be grateful.

My family holds their heads high at home and the respect I have earned from my friends and neighbours gives me a great sense of pride. I also have financial stability now that has helped my family a lot."

Amar Kumar
Area Security Officer

"I thank Quess for always having our backs and helping us through a difficult year like 2020. When the entire world was battling COVID-19, many lost their jobs and I could see many of my friends struggling to find one.

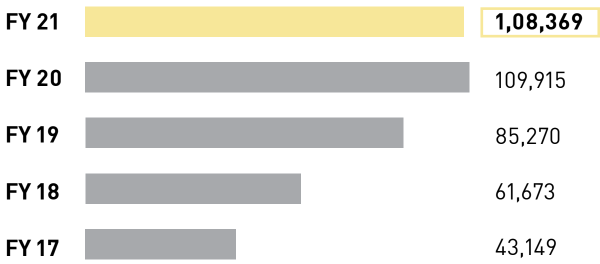
Quess made sure that our jobs were safe.

The financial and emotional stability that this company has given me is something that my family and I will forever be grateful for."

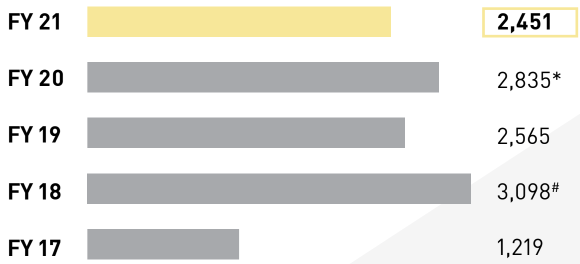
Metilda David
SAP Consultant

Financial Highlights

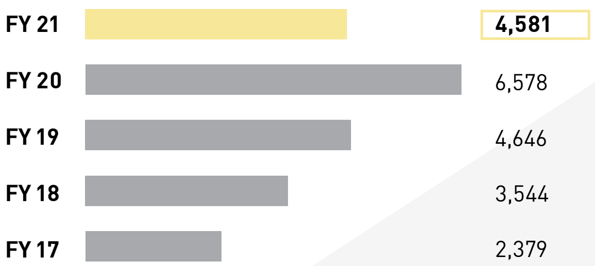
Revenue from operations
(₹ in million)



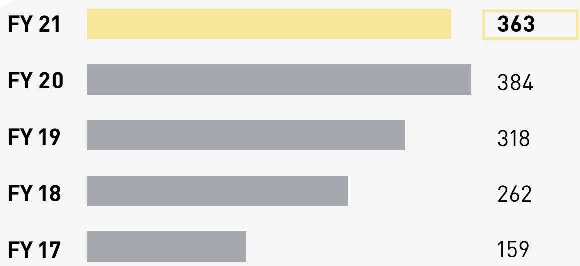
Operational PAT
(₹ in million)



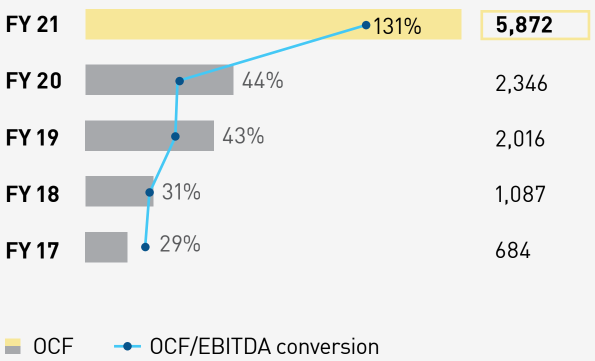
EBITDA
(₹ in million)



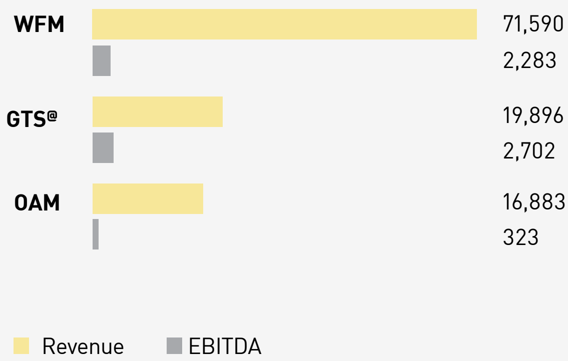
Total Headcount
(in thousand)



OCF and % of OCF/EBITDA conversion
(₹ in million)



Revenue and EBITDA Mix
(₹ in million)



* Reported PAT for FY'20 is ₹ (4,319) million down 268% YoY including one off exceptional items on account of Goodwill/intangibles impairment and change in tax regime

#FY'18 PAT includes one off benefit of ₹ 565 million under section 80JJAA of the Income Tax Act, 1961

@Includes Emerging Business

Platform Overview

Workforce Management

WE RANK AMONGST THE TOP 50 GLOBAL STAFFING FIRMS* PROVIDING WORLD-CLASS WORKFORCE MANAGEMENT SOLUTIONS. OUR END-TO-END HR SERVICES, RANGING FROM CUSTOMIZED SOLUTIONS TO MANAGED WORKFORCE SOLUTIONS, EMPOWER OUR CLIENTS TO ENHANCE PRODUCTIVITY AND EFFICIENCY.

Our Sub-brands

Simpliance®
Simple Beautiful Effective Compliance

Digital Labour Law Compliance Solutions

Services offered

Marketing
- Market activation
- Visual merchandising
- Product promotion
- Field campaigns

Sales
- In-store execution
- Feet on street execution
- Outbound and inbound logistics

Human Resources
- Recruitment
- Labour compliance management
- Core skills training and development

IT & Mobility
- IT staffing solutions
- Workforce management tools

Industries served

- BFSI
- Agro
- FMCG
- Telecom
- IT/ITeS
- Retail
- Healthcare & Hospitality
- Manufacturing & Infrastructure
- E-Commerce & Logistics

Presence

- India
- Singapore
- South East Asia
- Middle East

Key Highlights for FY21

2,53,000+
Associates

19,000
New associates recruited every month

164,197
WorQ - MAV in Q4 FY21

347
Core to Associate Ratio

73%
Collect & Pay

Top 50
Largest Staffing Firms globally

*by Staffing Industry Analysts (SIA)

Read more about this business segment on page 37

Global Technology Solutions

WE HARNESS THE POWER OF TECHNOLOGY TO DRIVE PRODUCTIVITY AND OPTIMAL EFFICIENCY INTO OUR CLIENTS' BUSINESS PROCESSES.

Our Sub-brands

CONNEQT BUSINESS SOLUTIONS LIMITED
Domestic BPM & CLM

ALLSEC TECHNOLOGIES BUILDING LASTING RELATIONSHIPS
International CLM, Payroll & HR Compliance

Qtek Systems
Integrated IT Services Company

Mindwire MFXQ
Digital Platform for Insurance Solutions

heptagon
Digital Transformation Services

Services offered

Platform Business
- Payroll processing and HRO
- InsurTech insurance processing platform

Customer Lifecycle Management
- Omni-channel CRM
- CRM digitisation
- Tele-sales support

Non-Voice BPO
- Collections
- F&A outsourcing

IT Services
- IT infra management
- Automation and RPA
- Cyber security
- IT services

Industries secured

- BFSI
- Telecom
- E-Commerce
- Retail
- IT/ITeS

Presence


India


South East Asia


North America

Key Highlights for FY21

45
Insurance carriers on our Insur Tech Platform

$ 3 billion
Premium per annum processed

32,000+
Full time employees in our CLM business

37
Geographies covered through our SaaS-based payroll solution

2.6 million
Pay slips processed per quarter

Read more about this business segment on page 40

Platform Overview

Operating Asset Management

AN EXPERT TEAM OF PROFESSIONALS WITH 30+ YEARS OF EXTENSIVE INDUSTRY EXPERIENCE AND EXPERTISE, WE INTEGRATE TECHNOLOGY WITH MANPOWER TO PROVIDE SPECIALIZED SERVICES, CUSTOMIZED TO MEET THE OPERATIONAL AND MAINTENANCE REQUIREMENTS OF OUR CLIENTS.

Our Sub-brands

Hofincons
Industrial O&M Services

TERRIER SECURITY SERVICES
Integrated Security Solutions

VEDANG CELLULAR SERVICES
Telecom Network O&M Services

Services offered

Facilities and Security

- Integrated facilities management services
- Food services
- Landscaping
- Security
- Sterifumigation

Core Operations

- Asset management
- Industrial O&M
- IoT-based solutions
  Telecom network design, implementation and optimization
- Meter reading and billing

Industries secured

- BFSI
- Govt. & Public Utility
- Education
- Healthcare
- IT/ITeS
- Manufacturing
- Telecommunications

Presence

- India
- South East Asia
- Middle East

Key Highlights for FY21

70,000+
Associates

40,000+
Student beds managed

80,000
Telecom towers installed and optimized

46,391
WorQ - MAV in Q4 FY21

15,462
Hospital beds managed

266 million sq. ft
Managed space

Read more about this business segment on page 42

Emerging Businesses

monster
Find Better.™

A leading job portal in India, South East Asia and Middle East, monster.com is a talent marketplace that bridges the gap between job seekers and employers. We provide end-to-end online employment solutions, offering systematic services for managing job seekers, providing career management, recruitment & talent management services.

Services offered

For Recruiters / Corporates

- Database access services
- Job posting services
- Employer branding services
- Assisted Search
- Virtual Career Fairs

For Job Seekers

- Advanced job search
- Resume services
- Custom Job Recommendation
- Monster First Job
- Virtual Career Fairs
- Assessments

Key Highlights for FY21

4.2 million
Job views per month

6.3 million
Organic site traffic per month

1.2 million
Job openings in formal section

#2
Job portal In India

DIGICARE SERVICES

Digicare is one of India's leading after-sales service providers offering on-site and in-home installation and troubleshooting services for smartphones, consumer electronics and consumer durables.

Services offered

After Sales Support

- Inbound support services
- Doorstep installation
- Repair services

Key Highlights for FY21

482
Cities covered in India

1.27 million
Service orders per annum

16,870
Pin codes covered

Top 3
Installation and after sales services provider in India

Q jobs

Launched in November 2020, QJobs is a talent marketplace for blue-collar/ entry-level jobs, enabling companies to hire verified candidates with matching skill sets from nearby areas.

worq

WorQ is a comprehensive and world-class blue-collar workforce management platform built by Quess. It is equipped with industry-specific productivity tools, robust employee self-service modules like attendance, leave, claims, HR documents, policies, etc., and state-of-the-art employee engagement features with a dedicated employee benefits module.

Read more about this business segment on page 45

Chairman's Message

Dear Shareholders,

The world has experienced an average of one pandemic every 40 years, that makes it 17 in the last 700. These 17 pandemics from the year 1347, unfortunately, have caused about 350 million deaths. By our nature, humanity is wired to fighting these situations and surviving and thriving through all of this.[1]

Ajit Isaac

Executive Chairman

Over time, each pandemic has redefined human existence and has been a cause of innovation that has eventually led to irreversible changes.

Having experienced the second wave of COVID-19, many of us have come away with permanent losses, health impairments and continue to live with a fear of what the future holds for us. Despite this, society and organizations forge ahead collectively to breach new frontiers of science, reinventing socio-economic order and making the necessary adjustments to daily life.

For a company like Quess, which is employment intensive, all these changes are very instrumental. This period represents as significant a moment as the founding of the company itself. The need for our services and what we do to society as frontline workers in battling COVID-19 needs little emphasis. The ability of Quess to have changed the way it works, to deliver all of what it did without offices being open, speaks of the company's agility and its digital transformation through the pandemic.

At Quess, our brave frontline warriors are enabling us to overcome COVID-19 in many ways. Shobha V, with us for last 3 years in facilities management, has been sanitizing one of the largest hospitals in Bengaluru; Kailas M, with us for 4 years now, has been delivering essentials as a last mile delivery executive for one of the largest e-commerce companies in the world; Manjunath K, a security guard with us for 4 years, has been securing the premises of one of the largest IT services firms.

Likewise, each of 363,000 employees, many of them frontline, continue to deliver on our ikigai, our purpose, improving productivity for our clients.

Our largest shareholder Fairfax Group led by its Founder and Chairman, Prem Watsa, has been an investor in Quess since 2013. An investment of ₹ 2.56 billion, through its subsidiary Thomas Cook Ltd in 2013, is now worth ₹ 57.04 billion (based on June 2021 VWAP) after having received ₹ 6.50 billion through a partial stake sale and dividends, making it an IRR of 54% over 8 years. This includes the value of ₹ 37.42 billion directly held by Fairfax today. The big lesson for Quess from Fairfax has been its ability to look long term and back businesses with strong fundamentals. Fairfax, led by Prem, has permanently influenced our thinking on how to build an institution.[2]

For all of us, our lives are about choices, Choices driven by our values and what we believe is right and the judgements we exercise. The choices we make in a corporate environment can lead to building an institution, a status quo organisation, an also ran, or an absolute flameout. Our goal at Quess has been to create an institution that is architected for the long term, delivering predictable returns to stakeholders and creating measurable social impact.

A key part of the construct in building Quess has been capital allocation and how it contributes to building the platforms that we are engaged in. The platforms we have today are an aggregation of many inorganic initiatives and internal projects and the value of our diversified business model is more visible than ever through the pandemic. As we continue our journey through these challenging circumstances, as the leading business services platform in the country, I would like to address our capital allocation process and its significance in shareholder value creation.

Capital Allocation

Our capital allocation framework is anchored on four principles:

1. Organic investments
2. Inorganic investments: Mergers & Acquisitions
3. Prudent debt management
4. Cash distribution to shareholders through dividends or share-repurchases

Effective capital allocation is an ongoing process and as the company evolves and passes through various stages of operational maturity, the management needs to review and update its capital allocation framework. Quess has completed 23 acquisitions and investments so far at a total cost of ₹ 24.97 billion. This includes any provisions or write-offs.

If we trace our journey back from 2007, we have raised ₹ 19.41 billion as primary capital of which 92% was from the IPO in 2016 and subsequent funding rounds. All of the funds raised and accrued profits were used for growth investments and no dividends was paid till March 2021.

Thus far, we have invested a total capital of ₹ 24.97 billion towards acquisitions and investments, of which 93% was done post IPO in 2016. A summary of capital raised and our 23 inorganic investments across the timeline is presented in the below table.

Primary Capital Raised

	₹ 1,532 million			₹ 17,880 million		
Period	2007-09	2010-12	2013-15	2016	2017	2018-21
Primary Capital Raised	Founders & Early Investors **238**	Follow on Fund Raise **303**	Fairfax **960**; Rights Issue **31**	IPO **4,000**	IPP **8,739**; MIS Issue **4,603**	Amazon **510**

Investments

2007-09	2010-12	2013-15	2016	2017	2018-21
Avon 163	Magna 881	Hofincons 503	MFX 444	Heptagon 113	Greenpiece 370
Coachieve 120		Brainhunter 5	Sri Lanka 39	Comtel 2,823	Monster 1,448
		Aravon 0	Simpliance 45	Vedang 491	Qdigi 354
		Middle East 20	Terrier 1,365	Conneqt 3,603	Allsec 3,300
			Manipal 7,253	Trimax 1,230	QEBFC 379
					Taskmo 20

WFM OAM GTS Associates

Acquisition year based on first tranche investment. Investments at full cost including total of all tranches, loan-write offs and provisions.
Primary Capital Raised also includes ₹ 28 million through ESOPs from FY17 to FY21

Most of our acquisitions are performing in line or better than expected. But there are some where our judgement could have been better. They are - Trimax, QEBFC and Greenpiece, which are discussed below.

Company	Investment	Loan/CCD Write-off	Provision	Total	Remarks
Trimax JV	130	268	832	1,230	Investment heavy phase complete. O&M phase underway.
QEBFC	100	278		379	Exited
Greenpiece	244	126		370	Operations merged with FM business
Total	**474**	**673**	**832**	**1,979**	

Values in ₹ million

The aggregate investment in the three assets is ₹ 1.98 billion which is 8% of our ₹ 24.97 billion of inorganic investments. Since the smart city project is an ongoing one, we expect to have further receipts against a provision of ₹ 832 million. Net of this, the cost of these assets would be between 5% and 6% of our total inorganic investments.

Although the investment in these assets is small compared to the total inorganic investments, the learnings from them been significant.

- Seller/partner selection: The counterparty you deal with is as important as the financial quality of the asset. Hence, our focus will always be on doing friendly deals.
- Diligence Quality: A relatively higher diligence quality is required while assessing proprietor led smaller assets.
- Long gestation government projects: A higher degree of prudence while dealing with long gestation government projects as they carry a huge execution and payment risk.

A review of the performance of each of our investments and its contribution into building a platform is detailed below.

Values in ₹ in million	WFM	OAM	GTS	Unallocated	Total
Total Inorganic Investment	**3,808**	**11,375**	**9,274**	**511**	**24,969**
FY21 (Reported)					
Platform EBITDA	2,283	323	2,702	-727	4,581
Contribution by Acquisitions	1,030	341	2,702		4,073
% Share by Acquisitions	45%	105%	100%		89%
EBITDA as a % of Investment	27%	3%	29%		16%
Acquisition EBITDA Multiple	3.7x	33.4x	3.4x		6.1x
FY21 (Normalized)					
Platform EBITDA	2,646	1,155	2,702	-727	5,775
Contribution by Acquisitions	**1,030**	**1,172**	**2,702**		**4,905**
% Share by Acquisitions	39%	102%	100%		85%
EBITDA as a % Investment	**27%**	**10%**	**29%**		**20%**
Acquisition EBITDA Multiple	**3.7x**	**9.7x**	**3.4x**		**5.1x**

#Normalized EBITDA numbers are before one-time provisions of ₹ 832 mn from Trimax JV and ₹ 363 mn from Excelus

Unallocated Investment of ₹ 511 million is towards associates (Heptagon, QEBFC and Taskmo)
For OAM platform, contribution of acquisition is greater than platform EBITDA because of loss in other businesses
Acquisition EBITDA Multiple is based on current EBITDA and historical acquisition cost. This does not include debt/cash.

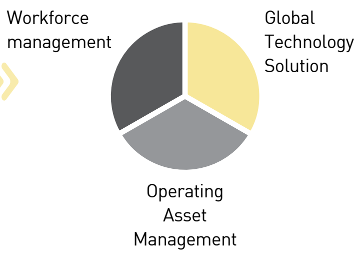
On a normalized basis, acquisitions have contributed ₹ 4,905 million i.e., 85% of the overall EBITDA of ₹ 5,775 million. Though the overall EBITDA levels have declined by 12%, from ₹ 6,578 million in FY20 to ₹ 5,775 million in FY21, the EBITDA from acquisitions has increased by 12%, from ₹ 4,362 million in FY20 to ₹ 4,905 million in FY21 and this represents an average purchase price consideration of 5.1x of acquired EBITDA.

While our acquisitive phase is behind us, we continue to be open to opportunities to invest in enterprises that are relevant, and maintain a consistent RoE of 20% for our shareholders.

Transitioning to a Digital Business Services Platform

From recruitment services through staffing, asset management and customer lifecycle management, the change can be sometimes described as a complete makeover. There are many elements in this story – acquisitions, leadership, execution focus and the development of backend systems.

From HR to a Digital Services Platform

	HR Services	Business Services	Services Platform
Phases	IKYA 2007 - 2013	Quess 2014 - 2019	QUESS 2020 onwards
Services	Recruitment Staffing Skilling Facility Mgmt.	+ Security Services Industrials BPO/CLM + HRO Tech services Job Portal Break-fix services	
Capital Allocation Drivers	Organic Growth Inorganic investment in allied services	Organic Growth Inorganic investments - large acquisitions, bolt-on businesses, geographic expansion, service line addition Debt Funding	Organic Growth Acquisition consolidation Debt Optimization Dividends/Share-buyback

Phase 1: Quess scaled up its core staffing and recruitment business and ventured into allied services (IT Staffing, Skilling and Facility Management). Investments in this phase were done primarily to fuel organic growth and acquire relatively smaller inorganic assets.

Phase 2: As the existing business continued to deliver and grow, it enabled us to raise and deploy additional sums of capital. This phase was truly an inorganic-heavy phase, with expansion into newer service lines and geographies aided by some large acquisitions. 92% of primary capital was raised and 95% of the investment capital was deployed during this phase. With 19 acquisitions and investments, this phase laid the foundation for our platformization strategy.

Phase 3: During this phase, we consolidated our business into three synergistic platforms, Workforce management, Global Technology Solution, Operating Asset Management the operations of which are decentralized and run by Presidents.

Further, we strengthened our tech intensity, expanded the GTS platform, enhanced emerging businesses and updated our Capital Allocation policy; each of which is discussed below.

● Tech Intensity

As a precursor to moving towards a non-linear tech-led services platform, we rapidly expanded our GTS business in Phase 2 and 3, and as of FY21 it is our largest platform in terms of EBITDA. The contribution from GTS segment to our overall EBITDA has more than doubled to 47% in FY21 from 21% in FY19. This segment, which has been built entirely through acquisitions, has enabled value creation through non-linear growth, margin accretion and better cash flow cycles.

In building a future ready organization, we have also increased our tech intensity in other businesses and platforms. This has enabled us to provide clients with differentiated ability and flexibility. For example, our security services business, Terrier, provides 360° solutions as a blend of manned guarding and electronic security, powered by our proprietary applications. Our General Staffing business provides workflow automation and productivity enhancement through our WorQ app, as a value-added service to our clients. Not just for revenue generation, we are investing in digital to automate our backend processes; we have digitized our entire hire-to-retire process, 28 bots and 90 apps are automating payroll, invoicing, compliance and other processes. As we progress through Phase 3, we will continue to invest in digital assets, creating an organisation that is built to last.

● Emerging Business

One of the key focus areas of Phase 3 is our Emerging Business Group – Digicare, Monster, Qjobs. Our goal at Digicare is to create the largest one-stop shop for after-sales needs of customers for their electronic goods. At Monster, we are moving from being just a job portal to becoming a leading Talent Marketplace in South-East Asia while establishing Qjobs as the undisputable market leader in blue-collar hiring.

These businesses hold a significant potential and one of our management goals is to unlock value in these assets for our company and shareholders.

● Capital allocation policy

In Phase 3, consequent to improved cash generation cycles and net cash position, we have updated our capital allocation policy. Following this change, we have paid out our first ever dividend of ₹ 7 per share (total of ₹ 1.03 billion). As we continue our journey, we will strive to return one-third of our annual free cash flow to shareholders via dividend/share buyback with the rest towards funding growth.

Our People

In the year that we delivered our first dividend, a narrative about Quess would be incomplete without a reference to its core staff and associates who have worked hard in a challenging year.

Suraj Moraje, in his first year as a CEO, was presented with a pandemic situation for which nobody can be trained. However, he led the company commendably and initiated various business transformation initiatives to put Quess on a growth path towards achieving the twin long-term goals of 20% RoE and 20% OCF growth. In recognition of this, he has been elevated to the position of CEO & MD.

Mr. Guruprasad S, COO India region, has been a founding member of Quess. Guru has led multi-faceted roles over the years within Quess - CEO of General Staffing, Shared Services Head, Head Digital Initiatives, President WFM. Guru is the glue that holds many things together and is a sought-after leader to resolve and close complex issues.

Lohit Bhatia, President Workforce Management, has been a consistent performer with Quess for over a decade and has grown considerably within the organisation – from Sales Head to CEO of General Staffing to President of WFM platform. He has been instrumental in making Quess the largest private sector employer in India.

Pinaki Kar, President GTS, has been with us for last three years. His two decades of experience in IT and ITES industry has been critical in the growth of GTS segment, making it the highest EBITDA contributing platform.

Sekhar Garisa, President Emerging Business, joined us last year and has been working towards making our growth businesses profitable – Digicare, Monster and Qjobs. Further he is leading monetization of various digital assets, which will be a significant value driver for Quess.

We have strengthened our finance function with Ravi Vishwanath as the Group CFO. Ravi's vast experience in the staffing industry, public markets and investor relations will bring great value to Quess.

Enterprise Risk Management and ESG have become critical, and at Quess, we have strengthened these functions under the leadership of Rajesh Kharidehal to proactively monitor and develop the abilities of the company in these areas.

Lastly, I have stepped down from Chairman & MD to Chairman – to separate roles of Chairman and MD, in line with good corporate governance and recommended regulatory guidelines. This will form the glide path to transitioning to an eventual non-executive position.

Way Forward

Having successfully travelled through the last year, we built the necessary tools and competencies to face the current year with resilience and perseverance. The times may be uncertain but our efforts are not, and we will not waver from the twin goals that we have set for us.

We had our IPO in July 2016 and exactly 5 years later we have a CAGR of 21% in our share price, compared to 15% CAGR of Sensex in the same period. Our operations have stood the test of time and the same is reflected in our results. We believe that the long-term orientation in our Company towards creating a digital business services entity will attract stakeholders with a similar long term vision.[3]

We are thankful to our shareholders for their continued support and trust in us, and I look forward to interacting with you at our annual meet for shareholders.

Regards,

Ajit Isaac
Executive Chairman

References

1. World Economic Forum, A visual history of pandemics
https://www.weforum.org/agenda/2020/03/a-visual-history-of-pandemics
2. Fairfax investment and return

Values in ₹ millions	**May-13**	**Nov-17**	**May-21**	**Jun-21**
Activity	Investment by Fairfax via TCIL	Partial stake sale via OFS	Dividend	Market value of stake (Jun 2021 VWAP)
Amount (₹ millions)	(2,560)	6,000	500	57,043

- IRR of 54% based on June 2021 VWAP of ₹ 798.30
- Direct holding of Fairfax in Quess is 32.2% as of 31st March 2021

3. Quess and Sensex price movement

Scrip	**1-Jul-16**	**30-Jun-21**	**CAGR**
Quess	317	818	21%
S&P BSE Sensex	27,145	52,483	14%

Source: www.bseindia.com

- Quess IPO issue price was ₹ 317 and the issue closed on 1st July 2016, shares were listed for trading on exchanges on 12th July 2016
- The average dividend yield of BSE Sensex for last 5 years is 1.2%. The 5 CAGR including dividend yield for BSE Sensex is about 15%

K. Suraj Moraje

Managing Director and Group CEO

Message from MD & CEO

Dear Stakeholders,

This has been a roller-coaster year, one in which our society went from a complete lockdown to guard against COVID-19, to a period of pandemic-free boom, to another lockdown. The year saw Quess' operating EBITDA drop by almost 25% in the first quarter and then rapidly recover to unprecedented levels (if normalised for the sustained losses in our food and training businesses) by Q4.

We are proud of the journey our institution has made over the year. Even while weathering the pandemic-induced storm, we have emerged a more focused and efficient execution machine, with heightened energy and purpose. For this, we must thank each of the ~363,000 Quessians who truly represent the best of our society.

Indeed, over the last year Quess has been at the forefront of the war against COVID. Even while society was in lockdown, we fumigated, managed, and secured hospitals, airports, and countless other essential facilities on behalf of our clients. Even as many Indians were ensconced in their homes, our associates were out at the frontline in healthcare, ecommerce, retail and manufacturing jobs to get our economy running again. We repaired broken devices, attended to customer phone calls, processed payslips, and deployed digital assets to keep consumers serviced. Our employees participated in numerous community welfare programs during this particularly tough time, sponsoring and distributing cooked meals, dry ration and personal protection kits for front-line workers, teachers and students in adopted schools. As an institution, we did our bit too by extending healthcare helplines, counselling support, safety training, facilities automation, digital employee engagement events, and extra leave benefits where needed. With such inspiration and purpose, it is no wonder that Quess once again emerged as a Great Place to Work®!

> "I would like to thank each of the **~363,000** Quessians who truly represent the best of our society."

Last year, we coined the mantra 'Winning Together' for Quess, in line with our purpose of building a leading institution that drives productivity for our clients by outsourcing and optimizing their key business processes, and being the preferred firm for employees, customers and investors alike. FY21 has given us several opportunities to execute on this mantra.

Let's speak first of our customers, for whom we feel heartfelt gratitude. Thanks to them, we are today one of the world's leading business services providers and the largest employer in the Indian private sector. The year saw us further strengthen our franchise, adding over 700 new customers while securing new cross-sell deals worth ₹ 2,500 million of annual contract value from our existing customers.

Even while adding business volume, we have continued our tradition of driving service innovation. In our Workforce Management Platform, our General Staffing business has made inroads into outcome-based contracting, entering the gig economy via our investment into Taskmo. Our IT Staffing business has strengthened its presence in high end digital skills. Our Global Technology Solutions business is rapidly expanding its presence in platform and transaction-led services, which should further strengthen our value proposition and margins over time. Our Operating Assets Management platform has made rapid strides into digitising workflows (e.g., 70% of our facilities team has taken training via our WorQ app, our Digital Supervisor module is already being used at 10% of our security services customers) and deepened vertical expertise in sectors such as manufacturing and healthcare.

We are very excited about the strides our Emerging Businesses have taken. Despite a difficult lockdown environment, Monster is showing green shoots with customer acquisitions at a 3-year high, job postings up 240% YoY, and job views up 55% YoY. Our Digicare business, hard-hit during lockdown, bounced back to record its best H2 ever, while driving 50% of its activities onsite rather than in-store.

Beyond this, we have made promising progress in incubating a set of digital "hire to retire" assets. These include:

- QJobs, the country's most productive blue collar auto-hiring platform, launched in November 2020. The app currently has over half a million downloads, ~1,100 third-party customers and 186,000+ jobs.
- WorQ, India's largest workforce management tool with over 200,000 MAU. WorQ is an HRIMS and productivity tool that helps employees improve their productivity through digital workflow management and training.
- Dash, a curated employee benefits platform with exclusive offers for Quess associates through 100+ partnerships across financial well-being products, accommodation solutions, and lifestyle products. The platform is seeing encouraging traction with ~170,000 visits in March alone.

Speaking next of our people. Our business is built on the foundation of very high alignment between shareholder and societal value. We have direct and positive impact on India's vast labour force – last year we hired ~230,000 FTE, with our activities extending right from training and skilling, to providing secure jobs, to making talent ready for employment, to providing social security benefits. Around 30% of the people we hired entered formal and secure employment for the first time.

If Quess were a country, there would be approximately 45 nations on earth with a population smaller than ours. We are determined to leverage this scale to continue our investments into providing our associates and employees with superior benefits, further extending our digital abilities to upskill and train, and creating real career paths for aspiring India. The Dash platform is just one step in this direction.

Going forward, we will further strengthen our core employee base, including deepening our vertical and domain expertise, building technology-first DNA, and aligning our employee interests better with that of our shareholders. In that regard, we are grateful to our shareholders for approving the QSOP 2020 scheme, which has already been rolled out to 73 employees across the group and will be further broad-based going forward.

Pre-COVID, we communicated to our investors that our North Star as an institution is achieving and sustaining an ROE of 20%, whilst growing our OCF at an ongoing CAGR of 20%. The past year has seen us take several steps towards this objective.

We are encouraged that our extensive efficiency improvement efforts (including reducing real estate footprint, rationalising IT spend, driving organizational efficiencies, etc.) resulted in our monthly average SG&A costs reducing by over 24% year on year. Our rapid growth in Q3 and Q4 gives us confidence that, with our leaner and more focused execution engine, we will see rapid expansion of ROE as COVID fades.

Our razor-sharp focus on cash generation (including DSO reduction, tax refund collection, better LTDS compliance, tighter cash management) delivered progress in the year, with OCF improving to ₹ 5.87 billion from ₹ 2.35 billion the year before. This allowed us to transform from a net debt of ₹ 3.54 billion in Q4'20 to a net cash position of ₹ 986 million in Q4 '21.

Beyond financial returns, our business model continues to create sustainable societal value by sourcing and employing the right talent for our customers. During the year, we continue to remain India's largest private sector domestic employer with ~363,000 employees. We are making steady progress in moving workers to the formal sector, providing them social security benefits and a structured path to grow. In fact, in FY21, we provided first-time social security benefits to 106,000+ associates. Our contributions to Provident Fund, ESIC and taxes were ~26% of revenues, or ~12x of our normalised PAT!

In closing, we would like to extend our deepest gratitude to our distinctive management team, and to every Quessian, for their resilience and focus in this difficult year. And to you, the shareholder, for your continued trust and support.

Sincerely,

K. Suraj Moraje
Managing Director & Group CEO

N. Ravi Vishwanath

Group Chief Financial Officer

Message from the CFO

> Quess has delivered exceptional performance in an unprecedented pandemic year with significant cash generation, remarkable improvement in debt levels and lower DSO's

Dear Shareholders,

The world, with Quess Corp being no exception, has faced quite a year with the onslaught of COVID-19 and its impact on our company and the economy. Despite the challenges posed by the pandemic, we have adapted to new norms by transitioning to a remote work infrastructure in order to prioritize the health and safety of our employees and everyone involved. The pandemic had varying impacts across our business and we responded swiftly to the fast-changing environment with acute focus on customer service and acquisition, cost optimisation and cash generation. While some of our businesses like Digicare, Excelus and food witnessed significant negative impact, the IT & HRO businesses have stood strong amidst a ravaging storm.While the impact of COVID-19 on the global economy and the labour market may have adversely affected our results, particularly towards the end of the last fiscal year (FY20) and the first half of the current fiscal year (FY21), we have begun to gradually recover from the second half to the end of the year (FY21).

Financial Performance

Full Year revenues from operations were ₹ 108.37 billion in FY21 compared to ₹ 109.91 billion in FY20. The recovery in the second half of the year has ensured that we close the year flat on revenue despite headwinds in first half of the year.

Our reported EBITDA for FY21 was ₹ 4.58 billion vs ₹ 6.58 billion in FY20. We have voluntarily taken a one-time provision of ₹ 1.19 billion towards legacy government business during the year. We also estimate the impact of COVID on our Excelus and Food businesses to be about ₹ 980 million for the year in terms of EBITDA. Adjusting for lockdown impact and one-time provision towards legacy government business, our normalized EBITDA would be about ₹ 6.76 billion in FY21 as compared to ₹ 6.58 billion in FY20, up 3% over the previous year. Our reported EBITDA margin across operations was 4.23%, a drop of 176 bps over FY20 with normalized EBITDA margin at 6.23%, an improvement of 25 basis points over FY20.

Our operating PAT stood at ₹ 2.45 billion, having fallen 14% YOY from ₹ 2.84 billion in FY20. This year's number includes a one-time charge on account of deferred tax liability on goodwill of ₹ 520 million due to change in tax law during the year. Our normalized EBITDA to PBT conversion for FY'21 stands at 47% vs. 43% in FY'20.

During FY21, despite the imminent challenges, the WFM platform maintained flat revenue YOY, with revenue of ₹ 71.59 billion. The General Staffing business contributes the majority of the revenues in the WFM segment and witnessed strong recovery in the second half of FY21. After an 18% drop in headcount in the first half, we saw a healthy rebound in the second. Besides, this business attained a historical high Core to Associate ratio of 347 highlighting our operational efficiencies and rationalization efforts. We continue to strengthen our sales and delivery capabilities through deeper verticalization and digital sourcing in this vertical.

Global Technology Solutions (GTS) posted strong numbers in spite of COVID-19 pandemic and for the first time, has become the largest contributor to EBITDA, accounting for 18% of the overall revenue mix, at ₹ 19.90 billion. Our IT consulting business in Canada has launched an end user computing source that crossed revenue monthly run rate of 1 million Canadian Dollars. Our high margin platform business across InsurTech and HRO continues to see growth with good customer acquisitions across both platforms.

The contribution of Operating Asset Management (OAM) to total revenue was 16%, at ₹ 16.88 billion, declining 3% YOY. With introduction of new service lines, AI-driven, Man-Tech and automated solutions, we saw strong performance in healthcare, pharmaceuticals, manufacturing and e-commerce while IT/ITES and education sectors were impacted due to lockdowns.

Our two major emerging businesses, Digicare and Monster, have progressively expanded over the last year. Have significantly polished our efficiencies and achieved commendable results in Digicare for Q2 & Q3 FY21, while in Monster where customer renewal rate and order renewal rate have improved through the year with the latter improving to 50% in FY21 from 47% in FY20 amid the pandemic. In November 2020, we launched QJobs, our talent marketplace for blue-collar/ entry level jobs and find its usage steadily increasing with almost no expenditure on marketing.

Balance Sheet

We are primarily using cash generation, at this point, to pare our debt. Our company has reached a net cash position of ₹ 986 million from a net debt of ₹ 3.55 billion (reduction of ₹ 4.53 billion) at the end of last year. We have cut gross debt to ₹ 5.16 billion in March 2021 from ₹ 11.47 billion in March 2020 on the back of better cash management, improved collections and income tax refunds. Our interest cost for the year stood at ₹ 986 million, a 32% drop YOY. We are targeting more improvement in the coming quarters through continued debt reductions, business simplification and CAPEX and rental management. In the days ahead, we also intend to strengthen our cash management practices across the Group. While the Day Sales Outstanding (DSO) has improved by 3 days YOY to 54 days from 57, the OCF to EBITDA ratio stands at 131% versus 44% in FY20.

We are committed to growing EBITDA organically, improving our EBITDA to PBT conversion, and ensuring judicious allocation of capital. We stay committed to our goal of 20% ROE by FY23, while delivering 20% YOY OCF growth. Capital monitoring and allocation remains another key goal for us, with emphasis on continued cash generation and reduced debt.

At Quess, our focus remains on cash generation through higher earnings, strengthening of the balance sheet through shrinking debt and reducing our exposure to EBITDA-draining businesses. We also aim to improve sales growth and acquire greater market share in each of our existing segments.

Corporate Action

In April 2021, we acquired the remaining 30% stake in ConneQt Business Solutions Ltd from Tata Sons Private Ltd for ₹ 2.08 billion. The combined strength of ConneQt and Allsec provides Quess a sizeable base to expand business process management capabilities with greater emphasis on platform-based digital services and international expansion.

During the year, we also increased our stake in Terrier Security Services to 74% from 49%. Further, we terminated our joint venture with East Bengal Football club and sold our logistics business Dependo.

In May, we declared our first dividend of ₹ 7 per share and the Board adopted a new dividend policy under which a third of free cash flows over the next 3 years will be returned to shareholders either in the form of dividend and/or buyback of shares.

We will continue to simplify our corporate structure both within and outside India. The Board of Directors in the meeting held on 3 June 2021 accorded their approval for the merger of Greenpiece and MFX Infotech into Quess Corp Ltd.

Looking forward, we plan to invest further in digital assets – to keep our technology and operational cutting edge. We are also investing in human resources to grasp emerging opportunities in the Indian market. With our keen focus on technological development and innovation across our businesses, we are multiplying growth prospects for our company.

Regards,

N. Ravi Vishwanath
Group CFO

A Conscientious Company

What's good for society is good for Quess

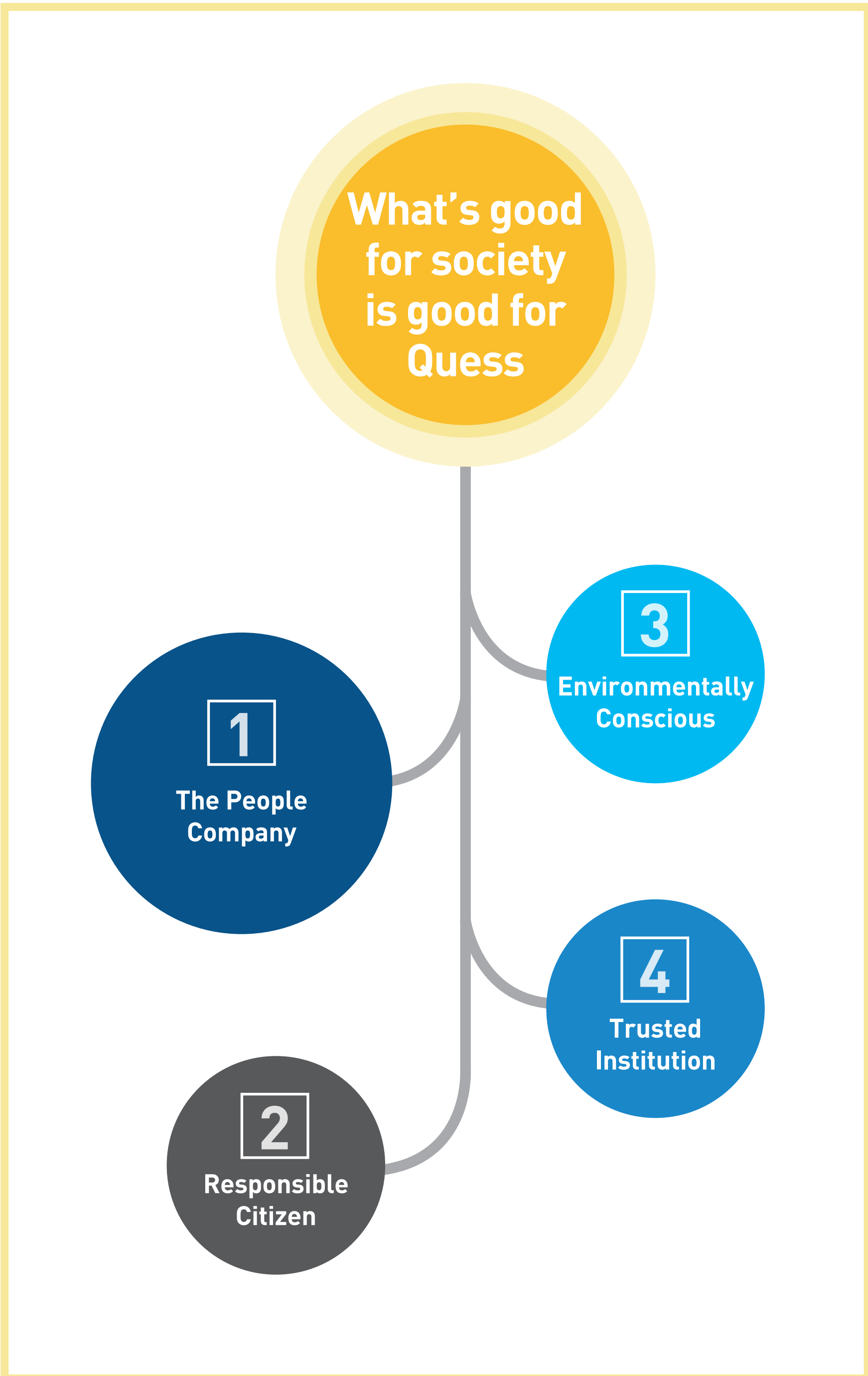
WE ARE INDIA'S LARGEST PRIVATE SECTOR EMPLOYER. OUR BUSINESS SOLVES PRESSING NEEDS OF SOCIETY INCLUDING HYGIENE, SANITATION, AND SECURITY, WHILE OFFERING SECURE EMPLOYMENT WITH SOCIAL BENEFITS TO ALL OUR EMPLOYEES AND ASSOCIATES. OUR UNIQUE BUSINESS MODEL ENABLES ~363,000 QUESSIANS TO CREATE LASTING ECONOMIC AND SOCIAL VALUE.

Our sustainability philosophy has our people at the core. Our jobs come with full social benefits. We go well beyond statutory requirements to deliver power in citizenship at Quess, be it through additional insurance options, access to cheaper financial services, or our network of 100+ partners who help our people's money go further. The jobs that these people execute focus on the key needs of our customers and society, creating sustainable value for our people, customers and investors.

We are deeply committed to our responsibilities towards society and the environment, and recognize these as being integral to our core business. Our values-led governance puts us at the forefront of our industry in labour-related reforms and practices, making us a partner of choice for ethical business.

Sustainability has been embedded in our culture and operations since inception. By staying true to our ESG philosophy, our businesses positively impact the lives of millions.

Our ESG policy has four components, described below.



1 The People Company

Quess is India's largest private sector employer and one of the top 50 staffing firms globally (ranked by Staffing Industry Analysts). Our core business helps in solving one of our society's biggest challenges, that of dignified livelihood.

a. Mobilizing talent for secure jobs

We play a leading role in mobilising Indian talent and bringing workers into the formal economy. We go deep into non-metro India to find raw talent, offering training and career counselling to help these individuals find jobs. In FY21, around 27% of our fresh Indian hires were from outside tier-1 and tier-2 cities. Further, ~30% of our headcount in FY21 enjoyed social benefits for the first time.

b. Digitising job discovery

We are solving the complex problem of job discovery in India.

QJobs, our vernacular jobs app specifically for blue-collar job seekers, hosted ~400,000 employment opportunities in FY21, using proprietary gamified credentialisation capabilities to help job seekers put their best foot forward.

Monster, our white-collar employment platform, created ~1 million job openings in the formal sector and made these available to our database of over 60 million job seekers across India, South-East Asia and the Middle East.

Digital employment channels for ~1.4 million

Launched 'QJobs', a vernacular blue-collar jobs discovery platform

~95,000 employees hired were from outside Tier-1 and Tier -2 cities

Working with Quess gives me a bigger sense of purpose and fulfilment. Fulfilling my professional commitment every day makes me feel more accomplished and confident and the team work and supportive culture give me tremendous job satisfaction. This job has truly changed my life.

Rakhi Mandloi
Office Assistant

c. Upskilling and Training

As a people-centric business, we recognize the need for skill development and training not only within an organisation, but across a wider spectrum. We work closely with the government to impart vocational training to rural youth and currently have **~100+ training centers across India.** Through our digital platforms, we have imparted skill development and vocational training to ~33,000 participants, including ~14,000 women. Our core employees have access to 174 training modules, and received an average of ~11 hours of training each in FY21.

d. Nurturing our talent

We are committed to create an environment where our employees and associates can reach their optimum potential. During COVID, we have prioritised employee well-being and safety in every way possible. We created 'quick reaction teams' across states for employee support, mobilised medical and psychological support, and worked closely with customers to enhance insurance covers. Our WorQ app has re-oriented focus towards COVID appropriate behaviour along with a campaign to encourage employees to register on the Cowin application for vaccinations. Today, across our Operating Asset Management businesses ~30% of our frontline warriors have already been vaccinated. With such purpose, it is no wonder Quess once again emerged as a Great Place to Work®. In addition, our Canada business is amongst the 50 greatest places to work in the North American country at this point. Our Conneqt business is also a Great Place to Work® and it was recognized with the Significant Achievement in HR Excellence in CII HR Excellence Award.

We leave no stone unturned in listening to our people's voices across the massive base of our human capital. We are delighted to share that we scored 3.85 / 4.00 on a happiness and satisfaction survey across more than 132,000 associates.

Great Place To Work. Certified

106,000
associates received first time social security benefits

Score of
3.85 / 4.00
on happiness and satisfaction survey

e. Diversity and Inclusion

At Quess, we realize that a diverse and inclusive workforce is essential in building resilience and fostering competitiveness. Through our diversity and inclusion programmes, we strive to create a workplace based on equity and fairness, which in turn leads to better customer service.

We are committed to maintain pay-parity across levels, irrespective of gender and social strata. We are proud that women represent more than 16% of our senior leadership bands (L2 and above), and 26% of our core workforce. Today, 17% of our ~363,000+ workforce are women. We have also launched QWEEN (Quess Women Empowerment & Engagement Network), a programme for psychological, educational, social and financial empowerment of our women employees.

Launched QWEEN, a wellness programme to connect and engage women employees

2 Responsible Citizen

We are driven by a desire to improve our society and surroundings. Our services, by design, make the world better. We are proud to make contributions to government tax collections that are ~7 times our normalised profits.

a. Sustainability built into our services

Our business services, by their very nature, are beneficial for society. For example, our services have put us at the forefront of the war against COVID. During the second wave, we mobilised talent for temporary hospitals, set up vaccination camps, and delivered oxygen support. Even while society was in lockdown, we fumigated, managed, and secured hospitals, airports, and countless other essential facilities on behalf of our clients. And while our fellow citizens were ensconced in their homes, our employees were at the frontline in healthcare, ecommerce, retail and manufacturing jobs to keep our economy running.

We have also invested in digital tools including WorQ and Qjobs to continuously improve on our service offerings.

Uninterrupted services during COVID-19

At the **frontline of the fight against COVID - 57** hospitals, 3 airports and 11 infrastructure and public utilities maintained during the pandemic

b. A proud tax payer

By virtue of being a 100% compliant employer and tax payer, we paid ₹ 29 billion in tax and statutory contributions to the government in FY21, representing ~12 times our normalized profit in the year or 26% of our revenues. This is just another way we proudly contribute to nation-building.

c. Societal Impact

The dream of a peaceful and prosperous society can be realised only when people live and work in a secure environment and have access to basic health and education. Our trained security professionals, equipped with high-end security systems enable customers across 19 states and union territories across India to conduct their businesses in safe and secure workplaces.

We believe that by investing in our society's health and education today, we play a part in improving the nation's future human capital. As a people-centric business, our Corporate Social Responsibility commitments have strongly focused on improving access to health and education. Our audio-visual learning modules and smart rooms for schools in Tamil Nadu and Karnataka have enabled continuity of education for children that bore the lockdown impact of COVID-19. Clean drinking water and sanitation have a direct bearing on the health and well-being of children and we continue to support schools to build infrastructure in these areas.

Keeping India Safe

with ~16,000 security professionals

Enabled Audio-Visual modules and Smart Rooms to **benefit 8,900** students

Enabled hand washing, sanitation and drinking water facilities in schools

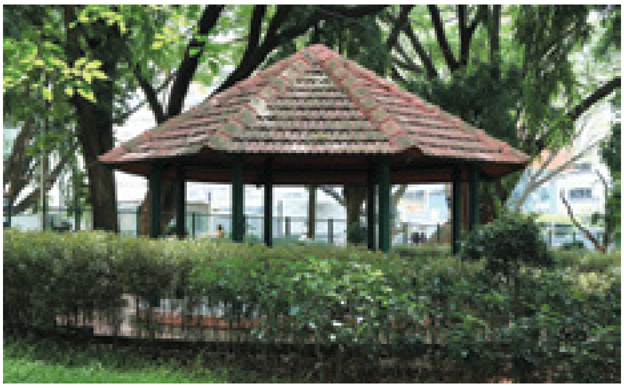
benefiting ~13,500 students

3 Environmentally Conscious

Our outsourced and services-based business model helps us retain a low environmental footprint.

Several of our business services help create a cleaner and healthier future for our next generations. Our landscaping business combines environmental sensitivity with horticultural knowledge and aesthetics to create vistas that preserve and enrich the natural environment in our customers' operations. Our QDigi business extends the life of electronic devices, contributing to massive reduction of electronic waste.

By following responsible waste management practices within the organisation, we have ensured safe disposal of ~500 kgs of electronic waste. While we continue to digitize our processes and minimize paper trails, we have also consciously recycled more than 5 tonnes of waste paper to minimize our environmental footprint. We are taking additional measures to further reduce our carbon, water and waste footprint in our core operations. For example, we are conducting an organisation-wide exercise to baseline our Scope 1, Scope 2 and Scope 3 emissions to further set reduction targets. Total Scope 1, Scope 2 and Scope 3 emissions across 74 facilities of Quess Corp and its subsidiaries in India has been estimated at ~17,900 tCO_2e. We are also working to further improve our water intensity in the food business.



4.2 mn sq. ft. of green spaces maintained

by Greenpiece business

~900,000

devices repaired or refurbished by QDigi in FY21

Recycled

~5500

kgs of paper waste

4 Trusted Institution

At Quess, we are driven by our values and our culture of accountability to our stakeholders. Our institution is built on trust, and we constantly seek even higher standards of governance through our business systems and processes.

a. Corporate Governance

While people are at the core of our ESG philosophy, corporate governance is the foundation of our sustainable growth. We have strong policies and codes around business ethics covering Right Conduct, Risk Management, Information Security & Data Privacy, Prevention of Sexual Harassment (POSH), Anti-Bribery, Anti-Corruption and Whistle-blower. Our Board sub-committees ensure that we move towards the company's goals and objectives by staying true to the letter and spirit of our values. Key Board committees including Audit, Nomination and Remuneration and Stakeholder Relationships are led by Independent Directors to ensure objectivity in decision-making. We have invested in a technology-driven solution to track pending litigations to ensure speedy recognition and resolution, and can confirm that no human rights violation cases were filed against the company last year.

Quess also enables its customers to meet higher standards on regulatory compliance and risk management through Simpliance, India's largest digital platform for labour laws consolidating Acts, Rules and Government Notifications. Simpliance is an AI-enabled RegTech engine with risk management, regulatory compliance and audit tools to optimise business performance.

Conscientious citizenship is built into the very DNA of Quess's purpose. Our ESG philosophy and guiding framework help us measure, monitor and take corrective actions to stay true to this purpose.

Value driven company

with strong business processes, robust culture and policies

Zero human rights cases

or lawsuits filed against the company in FY21

b. Information Security and Data Privacy

As our business grows increasingly on digital platforms, we are cognizant of our responsibility in handling information entrusted to us by our employees, associates, clients and vendors. To enable remote working, we have hosted information on a secure cloud environment that is continuously monitored for threats.

We periodically carry out Vulnerability Assessment and Penetration Testing (VAPT) to systematically review security weaknesses, and run a 24x7 Security Information and Event Management (SIEM) for real-time analysis of security alerts. Our Cyber Security Council reviews and monitors data and information on security threats, and constantly improves our preparedness in this critical area.

QuessCorp and AllSec

ISO 9001:2015 certified

Quess Corp, AllSec Technology and Conneqt are

ISO 27001:2013 certified

Corporate Social Responsibility

WE REMAIN FOCUSED ON FULFILLING OUR COMMITMENT TOWARDS SOCIETY. WE POSITIVELY IMPACT THE LIVES OF PEOPLE THROUGH OUR CSR ARM CAREWORKS FOUNDATION (CWF), CONTRIBUTING ESPECIALLY IN THE AREAS OF EDUCATION AND HEALTH.

With a strong emphasis on education and health as major pillars for accelerating growth in society, CWF has developed several programmes to encourage community development, such as our flagship school enhancement scheme. Further, we have aligned our activities with UN Sustainable Development Goals (SDGs) to initiate change in society.

We are working with
75
Government schools

reaching
13,500 Students
in Karnataka & Tamil Nadu

Quality Education

Worked towards creating free and equitable education through digital learning programmes, remote teaching, ICT skills programmes and tech-enabled classrooms.

34,016 Students benefitted

Built and upgraded government school facilities to create safe and joyful learning spaces. The programme includes building sanitation facilities, electricity & fixtures, computer labs and hand washing facilities.

75 Schools and
13,500
Students covered

Enhancing teacher skills through mentoring programmes. Initiated English fluency development programmes, ICT skills, yoga and meditation for teacher wellbeing. Organised webinars & online training, to spread awareness on COVID & its prevention at schools.

1,550 Teachers benefitted

Provided scholarships to 30 meritorious students pursuing higher education such as PUC, Diploma, BE, Medicine & Graduation.

Good Health & Well-being

CWF works on providing health services focused on prevention and treatment of COVID-19.

Donated 2 ventilators to Victoria Hospital COVID Care Centre, Bengaluru.

Distributed 80,000 cooked food packages and provided grocery kits to labour colonies and migrants.

Distributed protective gear such as masks, face shields and thermal scanners to COVID warriors.

As a part of our prevention programme, we educated students and trained teachers on COVID awareness.

As part of our wellness programme, we initiated Telemedicine and Tele Counselling.

12,83,100+

People benefitted

48,030+

Students benefitted

12,560+

Children benefitted

70+

School benefitted




Clean Water & Sanitation

Ensured availability and sustainable management of water and sanitation for all in CWF Schools.

Pure drinking water facility provided in 75 schools

200+

Sanitation facilities renovated and maintained benefitting 13,500 students.

378+

Hand Wash area built, renovated and maintained, benefitting 13,500 students

Employee Volunteering

Employee volunteers addressed some of the most pressing needs of society, an initiative that also helped in their personal growth.

"Read out a story":

Our employees recorded **100+** stories for impaired students.

Flash card making:

Our employees made **500+** sets of flash cards, consisting of alphabets and numbers, for children

Employees contributed:

₹ **1.5 million** towards COVID relief work.

1,500 +

Volunteers participated

500+

Volunteering hours contributed

Board of Directors

Ajit Isaac

Executive Chairman

K. Suraj Moraje

Managing Director & Group CEO

Chandran Ratnaswami

Non-Executive Director

Gopalakrishnan Soundarajan

Non-Executive Director

Gaurav Mathur

Non-Executive, Independent Director

Kalpathi Ratna Girish

Non-Executive, Independent Director

Revathy Ashok

Non-Executive, Independent Director

Sanjay Anandaram

Non-Executive, Independent Director

Ajit Isaac C M M

Executive Chairman
Appointed to the Board: (April 6, 2009)

Skills and Experiences:

Ajit Isaac is the reason why Quess stands where it does today: as India's largest business services provider, ranked 50th in SIA's top global staffing firms within a span of 12 years. Under his leadership, Quess has accelerated the transition of informal jobs to formal platforms, helping bring predictable incomes, social security, healthcare and other benefits to many not-so-privileged sections of Indian society.

His expertise in identifying value-accretive and transformative deals combined with his focus on operational efficiency and business development has helped Quess scale rapidly. Fairfax onboarding Quess in 2013 is both a small and big example of that.

Giving back to society is something close to Mr. Isaac's heart and it was that purpose that drove him to set up Care Works Foundation which today supports over 13,800 students across 74 schools. He is actively engaged in several other philanthropic activities.

Mr. Isaac has a master degree in the domain of Leadership from the University of Leeds and also holds another Master's in Arts and Personnel Management from Madras University.

Your Chairman has been in leadership roles for the longest time even before he joined Quess. He was Country HR Head – India and Middle East at Adecco, and prior to that, was Country HR Head at IDFC for 3 years and was also with Essar Investments and Godrej & Boyce.

He serves on the Board of Allsec Technologies, Net Resources Investments, Isaac Enterprises and Quess East Bengal FC.

K. Suraj Moraje M

Managing Director & Group CEO
Appointed to the Board: 4 November 2019

Skills and Experiences:

Suraj has a deep understanding of the industry and the markets in which we operate, using his 20 years' experience in global business to identify and evaluate risks to tailor strategies accordingly. He is fascinated with the power of technology to improve lives and generate value. He is deeply committed to grooming and empowering the next generation of ethical business leaders. During his tenure at McKinsey, he was instrumental in establishing the firm's African tech media and telecom practice and transforming the Philippines office as the Managing Partner for the country. He has served clients across financial services, telcos, utilities, consumer and media with a passion for technology-led transformations. He is an authentic and devoted leader, passionate about the role of business in driving society forward.

Career:

Suraj is a BE graduate from Sardar Vallabhbhai National Institute of Technology in Surat, and a PGDM from the Indian Institute of Management, Ahmedabad.

He spent two decades working at McKinsey as a Senior Partner before joining Quess in November 2019.

Details of other Directorships:

* Allsec Technologies
* Monster.com India
* Conneqt Business Solutions
* Excelus Learning Solutions Private Limited.

Global Entities - 4

Chandran Ratnaswami M M

Non-Executive Director
Appointed to the Board: 18 January 2016

Skills and Experiences:

Chandran is a Non-Executive Director of the company since January 2016 and comes with over three decades of experience in investment management. He has driven business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.

Career:

Chandran holds a Bachelor's degree in Civil Engineering from IIT Madras and an MBA from the Rotman School of Management, University of Toronto.

He is the Chief Executive Officer and Director of Fairfax India Holdings, a company listed on the Toronto Stock Exchange and is also a Managing Director of Hamblin Watsa Investment Counsel, a wholly-owned investment management company of Fairfax Financial Holdings. Hamblin Watsa provides discretionary investment management to all the insurance and reinsurance subsidiaries of Fairfax and currently manages approximately $40 billion of assets. At Hamblin Watsa, he is responsible for all Fairfax and subsidiary investments in Asia.

Details of other Directorship:

* Thomas Cook (India)
* Bangalore International Airport
* IIFL Finance
* National Collateral Management Services
* Sanmar Engineering Services
* Go-Digit General Insurance
* Fairbridge Capital
* Chemplast Sanmar Limited.

Global Entities: 17

Gopalakrishnan Soundarajan M M

Non-Executive Director
Appointed to the Board: 1 April 2020

Skills and Experiences:

Gopal is a Managing Director at Hamblin Watsa Investment Counsel. He has leadership experience in handling financial management of various enterprises. He has an incisive ability to identify as well as address resolutions at organizations exposed to financial and business risks including exposure to legal and regulatory vagaries. Mr. Soundarajan also brings with him immense experience in corporate business strategy and capital allocation, a knowledge so useful in today's environment where maximization of shareholder value is of utmost concern.

Career:

He is a Bachelor of Commerce from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst and Member of the CFA Institute in the US.

Before joining Quess, Mr. Soundarajan was the Chief Investment Officer at ICICI Lombard, the largest private sector property and casualty insurance company in India. He held that position for 18 years and was a member of the insurer's investment committee as well.

Details of other Directorship:

* Thomas Cook India
* Bangalore International Airport
* IIFL Wealth Management
* Anchorage Infrastructure Investments Holdings

Global Entities: 4

Gaurav Mathur M M

Non-Executive Independent Director
Appointed to the Board: 31 August 2020

Skills and experience:

A pioneer in the private equity space in India, Gaurav started his career in 1998 with the European High Yield Capital Markets group at Deutsche Bank in London. He brings with him over 20 years of astute investing, nurturing and growing companies and has created tremendous value for shareholders over the years. Apart from private equity, Gaurav also comes with sound expertise in venture capital funding, capital markets, corporate development, financial modelling and valuation.

While Gaurav's entrepreneurial abilities are well known to the world, he also possesses rich experience in service industries and overseeing technology-led transformation at corporates.

Career:

He has a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad and a BA (Hons.) in Economics from Delhi University.

Gaurav Mathur is the Founder Director at InVent Capital, a long-term investment firm that focuses on listed equity and control oriented investments in consumer and services businesses in India. He is also the CEO of Digital Gold India, a leading digital gold platform. He also co-founded private equity outfit India Equity Partners. He was a Principal at JPMorgan and has served as a Director, representing investors on the boards of numerous companies. The list of such firms who have benefited from Gaurav's deep understanding of complex business issues includes Jubilant Foodworks, Manappuram Finance, Piramal Glass, Innovative Foods and MTR Foods.

Details of other Directorship:

* Digital Gold India
* Invent Advisors

K. R. Girish C

Non-Executive Independent Director
Appointed to the Board: 31 August 2020

Skills and Experiences:

Over a span of 35 years, Girish has lent his considerable expertise to corporates in financial analysis and reporting, international taxation including that related to M&As, internal controls and business strategy. He also holds the flag in the areas of technology adoption for ERP and regulatory frameworks.

Girish is much sought by corporates for his views on their business plans and for a second opinion on their strategic initiatives. He often advises corporates on the right capital allocation policy, keeping tax consequences and shareholder interests in mind.

He has been involved with many large technology companies, particularly those with services as a major revenue stream. In today's world where the importance of ESG cannot be overemphasized, he has provided critical inputs to corporates keen to address these global concerns.

Career:

Mr. Girish is a fellow member of the Indian Institute of Chartered Accountants and a graduate from Karnataka State Law University. He is also an associate member of the Australian Taxation Institute and holds a Post Graduate Diploma in Taxation practice from M S University, Baroda.

He spent 18 years at KPMG and was its Partner and Head of Tax for South India and National leader for tax dispute resolution practice. He has also been associated with tax advisory firms Baker Tilly DHC and LeapRidge. He now operates his CA proprietary firm KR Girish and Associates.

Details of other Directorships:

* Credens Fiduciary Solutions

Revathy Ashok C C M M M

Non-Executive Independent Director
Appointed to the Board: 24 July2015

Skills and experience:

Revathy has spent over 3 decades pursuing capital raising, business development, financial management and commercial with an ability to understand and analyze key financial statements assess financial viability and performance, contribute to strategic financial planning and analyze budgets with strategic goals and priorities.

She holds a Bachelor's degree in Science from Bangalore University and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore.

Career:

She is the Co-founder of Strategy Garage, which aims to foster entrepreneurship in India, along with being an active mentor at the Indian Angel Network. She is passionate about women's economic empowerment and evangelizing entrepreneurship and is actively involved with many start-ups, helping them with their business strategy and promoting transparency and good governance. She is a managing Trustee of Bengaluru Political Action Committee, a non-partisan citizen's group that aims to improve governance and to enhance the quality of life of every Bengalurean.

She last served as Managing Director of Tishman Speyer India and currently serves on the Board of leading listed companies. She has held senior management positions in global corporations such as Syntel, Microland and Tyco Electronics.

Details of other Directorships:

* AstraZeneca Pharma India
* Welspun Corp
* ADC India Communications
* Shell MRPL Aviation Fuels and Services
* Welspun Tradings
* Microland

* Sansera Engineering
* Khemeia Technologies Private Limited
* Athena Infonomics India Private Limited

Sanjay Anandaram

C M M M

Non-Executive Independent Director
Appointed to the Board: 22 December 2015

Skills and Experiences:

Sanjay has spent over 30 years as a corporate executive, investor, early-stage venture capitalist, teacher and advisor to funds and entrepreneurs. He has significant experience in M&As and funding startups.

Sanjay has written extensively in The Wall Street Journal and The Financial Express and various magazines. He often shares his knowledge with students and corporate executives from various countries on innovation and entrepreneurship and has been a visiting faculty at Singapore campus of France's INSEAD business school. He is the founder of Sattva, a consulting in the much-sought area of ESG.

Career:

He holds a Bachelor degree in Electrical Engineering from Kolkata's Jadavpur University and a Post Graduate Diploma in Management from the Indian Institute of Management, Bengaluru.

He co-founded Neta, a Silicon Valley VC-backed software company, that became a part of Infoseek/Disney. He was a founding partner of JumpStartUp, a $45 million early-stage US-India cross border VC fund that invested in technology businesses. Early in his career, he spent several years with Wipro in India and overseas where he established several new business initiatives for the company.

He is an Executive Board Member of Modular Open Source Identity Platform. He is a Governing body member of TiE Bengaluru and leads the digital diplomacy initiative at ISPIRT, a not-for-profit technology think-tank.

Details of other Directorships:

* Allsec Technologies
* Syzygy Consultants
* Sattva Media and Consulting
* Terrier Security Services
* The Sec 8 company Network of Indian Cultural Enterprises
* Conneqt Business Solutions Limited.

Board Committees Membership key indicators

C	C - Chairperson
M	M – Member
●	Member of the Audit Committee
●	Member of the Risk Management Committee
●	Member of the Nomination and Remuneration Committee
●	Member of the Corporate Social Responsibility ("CSR") Committee
●	Member of the Stakeholders' Relationship Committee

Management Discussion and Analysis (MDA)

Industry overview

Employment Trends in India

Employment in India is going through a tectonic shift in both composition and focus, providing massive economic tailwinds to the formal outsourcing industry.

- **Growing labour market:** India is a very young country with a median age of 28 years, making it one of the largest labour forces in the world at ~493 million, growing at 5.7% CAGR (2015-20). To generate work opportunities that tap into this base, the Government of India has announced a number of schemes including 'AatmaNirbhar Bharat', Prime Minister Employment Generation Programme (PMEGP) and Production Linked Incentive (PLI) Scheme. PLI, specifically, has the potential double the workforce engaged in production and manufacturing activities.

- **Evolving legal landscape:** By simplifying the legal landscape, the newly legislated labour codes will likely accelerate formalisation and compliance. This shift should be positive for outsourcing players. The new labour laws also address the formalisation of the gig economy, which is estimated by BCG to create ~90 million jobs and contribute an incremental 1.25% to the country's GDP. This will provide additional opportunities for technology-enabled outsourcing players.

- **Increasing formalisation:** Goldman Sachs estimates that formalisation will increase to 30.3% by 2025 and 38.3% by 2030 from 20.8% currently. Formalization has already picked up pace as evident in ~42 million new PF subscribers and ~50 million new ESIC subscribers in the last 3 years, and the increase in GST registered firms to over 12 million from 7.5 million in 2017.

- Greater outsourcing penetration: India has a low base of outsourcing in the formal sector. For example, according to the Indian Staffing Federation, flexi-staffing penetration in India is 0.7% compared to ~3% in the most developed markets. As the focus on compliance and costs increase, large Indian companies are increasingly exploring outsourcing to drive productivity and flexibility.

Workforce Management

General Staffing

The general staffing industry provides manpower augmentation services across blue and grey collar roles. The Indian general staffing market is poised for rapid growth in the years ahead. As alluded earlier, formalisation is estimated to increase to 30.3% by 2025 and 38.3% by 2030 from 20.8% currently. With one of the largest flexible staffing workforces in the world, India's temporary workforce is expected to grow to 10% of formal sector employment by 2025[1]. According to Goldman Sachs, the staffing industry is therefore poised to grow 6 times in the coming decade to $60 billion.

Larger players are likely to benefit disproportionately from this growth, especially as technology investments play a larger role in enabling remote hiring, driving down payrolling and compliance costs, and managing employees remotely.

IT Staffing

The COVID-19 pandemic has turbocharged the worldwide adoption of digital technologies across consumers and businesses. Surveys have shown that 5 years' worth of progress was made in the first three months of the pandemic[2]. Indeed, high-income countries saw an increase of 12% in mobile data usage in Q1 CY20 vs. Q1CY19[3]. As global corporations increasingly focus on automation, data analytics, and building the full stack, the demand for IT skill sets among captives in India has increased by 22.5% from October 2020 to March 2021, with BFSI, technology services and consulting, auto and engineering and global capacity centres serving as a top destination for professional talent. Technology platforms like SalesForce, SAP HANA, and ServiceNow are also witnessing and increased demand[4].

Fuelled by these forces, the Indian IT industry is projected to grow at 12% during FY21-26[5] with a strong emphasis on digital up- skilling. In FY21, the industry is forecast to recruit over 138,000 new employees, taking the total number of workers to 4.47 million[4].

IT staffing will disproportionately benefit from this growth, given increasing scarcity of niche talent, and shorter project durations driving demand for temporary workers.

Skilling and Learning Solutions

India has reached a critical juncture in the global economy. It has the ability to become the world's third-largest economy by 2030. Today, more than 50% of the total population of India is 25 years or older[6]. But, data suggest that only 2% of the employable population has received skill development training, indicating the immediate need to upskill India's youth[7].

In the Union Budget 2021-22, ₹ 932.24 billion was allocated for the education sector. Moreover, the National Education Policy (NEP) has been updated to include

[1] https://www.thehindu.com/education/careers/temporary-workers-are-here-to-stay/article19997951.ece
[2] https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-covid-19-recovery-will-be-digital-a-plan-for-the-first-90-days
[3] https://www.ifc.org/wps/wcm/connect/537b9b66-a35c-40cf-bed8-6f618c4f63d8/202009-COVID-19-Impact-Disruptive-Tech-EM.pdf?MOD=AJPERES&CVID=njn5xG9
[4] https://www.businesstoday.in/sectors/jobs/it-skills-in-top-demand-salesforce-sap-hana-servicenow-jobs-aplenty-for-professionals-with-these-expertise/story/435958.html
[5] https://economictimes.indiatimes.com/tech/technology/mckinsey-says-indian-it-industry-to-touch-300-350-billion-in-five-years/articleshow/81093397.cms
[6] https://www.livemint.com/news/india/more-than-50-of-india-s-population-25-yrs-or-older-survey-11593793054491.html
[7] https://www.worldbank.org/en/news/feature/2017/06/23/skilling-india

programmes for skill development and practical training. The Budget has also allocated ₹ 30 billion for skill development programmes designed for students. The National Apprenticeship Promotion Scheme (NAPS) also provides apprenticeship programmes for students. These initiatives are expected to provide a significant push to the learning and skill development industry.

Global Technology Solutions

Business Process Management (BPM)

The Indian Information Technology-Business Process Management (IT-BPM) sector accounts for 55% of the overall global outsourcing market[8]. The industry accounts for 8% of India's GDP and is the largest employer within the private sector, employing around 3.9 million people[10].

The BPM industry is poised for an era of accelerated growth, driven by BPM 4.0 which will be characterised by an increased penetration of Robotics Process Automation (RPA), Adaptive Case Management, and increasing demand for no-code or low-code BPM and Artificial Intelligence (AI). BPM will also be deeply domain-focused and will provide increased depth as well as an amalgamation of process-based, industry-oriented, and technology-based domain expertise.

According to Nasscom, BPM penetration in Contact centre, F&A and Banking BPO is only 30%, 25% and 15% respectively in comparison with 40% penetration in IT services outsourcing. Consequently, the BPM industry is expected to grow at an accelerated pace over 5 years and will reach a market size of $336 billion globally by 2025[9].

45% of respondents surveyed by Nasscom cited Finance and Accounting (F&A) specifically as a key area to be outsourced. In fact, 76% of enterprises currently using GCCs have shown openness to leverage third party outsourcing providers. With 70% of F&A outsourcing workforce already in India, Indian F&A outsourcing players are poised to take advantage of this opportunity.

Another key growth area for domestic BPM companies is collections. The total addressable market for collections outsourcing is valued over ₹ 1 trillion, out of which the pre-NPA segment contributes 80%. The pre-NPA market is driven largely through calling / emails and notices followed by on-site collection, while the Post NPA market is usually more complex, involving robust analytics, litigation, site visits, skip tracing, re-hypothecation and reconciliation (for corporate deals) etc. With deeper analytics and AI intensity, pre-NPA management is the prime focus area for larger BPOs.

Payroll Outsourcing

Globally, payroll outsourcing is one of the fastest-growing segments of the human resource outsourcing (HRO) market. The global payroll market is expected to reach $23 billion by 2027 from $18 billion in 2020[10,11]. Payroll outsourcing services can be availed for Accounting and Finance (A&F), human capital management (HCM), and shared service centres.

With an estimated 87 million Indians being salaried in the formal sector, only around 18 million are currently estimated to be payrolled on an outsourced platform. This number is expected to grow rapidly with the increasing formalisation of the economy and a growing propensity of players to outsource this very specialised activity rather than execute in-house. The outsourced space itself is highly fragmented, with clear potential for low cost and technology-led players to grow rapidly.

IT Services

The IT services market in India was at $13.4 billion in 2020 and is expected to grow at a CAGR of 7.2% 2020-2025 to touch nearly $19 billion by the end of 2025 on the back of increased spending in areas like cloud and artificial intelligence[12]. The Indian public cloud services (PCS) market, including infrastructure-as-a-service (IaaS), platform-as-a-service (PaaS) solutions, and software-as-a-service (SaaS), touched $1.6 billion for the first half of 2020. The overall Indian public cloud services market is likely to touch $7.4 billion by 2024 growing at a CAGR of 22.2% for 2020-24[13]. Similarly, India's cyber security market is expected to grow to $3.05 billion by 2022 from $1.97 billion in 2019 at a CAGR of 15.6%, providing boost to our SOC-based cyber security monitoring business[14].

Operating Asset Management in India

Integrated Facilities Management

The Indian facilities management industry was valued at $150 billion in 2020[15]. Outsourcing of non-core operations and expansion of the real estate sector is driving growth of this industry in India. The commercial sector in India is the most common end-use industry, followed by manufacturing and other industries. Corporate offices, such as those in IT, BPO and Banking, Financial Services and Insurance (BFSI) sectors are continuously opting for outsourced services, resulting in the growth of the integrated facilities management sector in India. While COVID has created a temporary disruption in office-going, the industry is projected to expand at a healthy CAGR of 20% between 2021 and 2026 to reach $406 billion by 2026[7].

Through the pandemic, Indian corporates across industries have put special focus on creating a hygienic workplace for their employees without significantly increasing the cost of operations. This will drive the adoption of technology-enabled services such IoT device operation,

[8] https://www.makeinindia.com/sector/it-and-bpm
[9] Business Process Management (BPM) 4.0: Heralding the Start of a New Era by Nasscom and Everest Group
[10] https://www.globenewswire.com/news-release/2020/07/13/2061076/0/en/Global-Payroll-Outsourcing-Services-Market-Study-2020-2027-with-Company-Profilings-of-42-Players.html
[11] https://www.beroeinc.com/category-intelligence/payroll-outsourcing-services-market/
[12] IDC: https://www.business-standard.com/article/economy-policy/indian-it-business-services-market-grows-5-41-to-13-4-bn-in-2020- idc-121051800849_1.html
[13] https://www.idc.com/getdoc.jsp?containerId=prAP47129220
[14] https://www.pwc.in/research-insights/2019/cyber-security-india-market.html
[15] Indian Facility Management Market Outlook by Expert Market Research

automated cleaning, etc. This increasing sophistication will over time result in increased formalisation of the industry, as larger service providers pull ahead in their technology and delivery capabilities.

Security Services

The Private Security Industry (PSI) has been growing at a CAGR of 20% for over a decade[16]. After agriculture, PSI is the second largest employer in India. As of December 2020, the Indian PSI is estimated to be around ₹ 990 billion and it is projected to be valued at ₹ 1.5 trillion by 2022[16].

The demand for private security services is growing due to increasing urbanisation and low police-to-citizen ratio. India currently employs only 156 police personnel[17] per 100,000 people, against 211 in Brazil, 464 in Mexico, and 238 in the US. Currently, there are only 3 million sanctioned police force operatives while there are over 9 million privately employed security guards. The security service sector is also aided by a favourable economic climate and increased construction activity which prompts the use of advanced security solutions for commercial as well as residential properties.

Rising minimum wages in India are making manned guarding services more expensive. This, coupled with the trend towards minimizing person-to-person contact, is driving increased adoption of electronic security systems such as centralized command centres, CCTV cameras, video analytics, and technology-equipped security guards to drive collaboration and productivity. The Indian CCTV market, for example, is expected to grow at 22.5% between 2020 and 2025[18].

Industrial Operation and Maintenance Services (O&M)

Industrial Operation and Maintenance Services (O&M) is an important non- core activity for power, steel, and cement plants. Rising concerns about productivity, increased digitization and rising investments for maintenance operations are driving the growth of the industry in India. Companies increasingly outsource O&M services to improve equipment uptime, increase operational excellence and reduce maintenance costs.

Per capita consumption of power, steel and cement in India is still ~1/3rd of global average, and will grow manifold as India grows, providing further tailwinds to Industrial O&M.

The increased adoption of Industry 4.0 in the form of robotics, IoT, drones, 3D Printing, and AI has driven a change in focus from preventive maintenance to predictive maintenance. This shift requires highly trained manpower which can only be deployed by larger O&M companies, thus potentially driving consolidation and a flight to quality in this space.

Telco Network Services

India has the world's second-largest telecommunications sector with 1.16 billion subscribers across fixed and mobile telephony. After a period of consolidation, the telecom industry is poised to see increased investment in the coming years driven by:

- Improved balance sheet of Indian telecom companies: Recent investments by global tech giants into Indian telecom companies have improved their balance sheets, enabling them to further invest in infrastructure and services
- Increased traffic: During the early days of the pandemic, internet consumption recorded an increase of 40% YoY[19]. As companies adopt hybrid work models over the longer term, data consumption will continue to increase prompting higher capex and O&M expenditure
- 5G rollout: Radio network buildout and cell site fiberization from the current 20% to more than 80%-85% will require significant service deployment.

Emerging Business Industry Overview

Online Recruitment

In 2019, India was the world's second-largest online market, behind only China. The number of internet users is rising in both urban and rural areas, indicating a rapid increase in online access. Both blue collar and white collar hiring has firmly moved to online platforms. Further, online platforms are enabling multiple modes of engagement between companies and candidates – full time, flexi-time and gig. Improvements in AI-driven algorithms and automation of the hiring process is leading to a larger role for companies in online recruitment business.

The coronavirus outbreak has resulted in a temporary slowdown in hiring (5%-30% depending on sector, as per Monster Employment Index) but the pandemic has also demonstrated to customers and candidates alike that more of the recruitment work flows will move online.

Online recruitment will thrive as talent management continues to be a critical priority for organisations. The next frontier for companies will be to digitally integrate more processes in the recruitment life cycle – skilling, assessments, pre- screening, etc. - in a seamless fashion

After Sales Support Services

The after-sales segment is growing rapidly in India as companies continue to provide after-sales service to boost customer satisfaction The pandemic accelerated the proliferation of consumer devices and with it the demand for after-sales service and support. Customer requirements as well as expectation of quality of service are going up with every passing year. This augurs well for technology-based service providers. Moreover, use of Artificial Intelligence (AI), Internet of Things (IoT), and Virtual Reality (VR) has helped brands to improve their product offerings and shape the overall customer experience. Therefore, technology is playing a pivotal role in driving change in the after-sales service industry in India.

[16] https://www.hindustantimes.com/brand-post/kunwar-vikram-singh-led-capsi-has-been-successfully-represenjting-the-private-security-industry-in-india/story-JR8IjYkv168aLwrqgLYtAN.html
[17] MHA
[18] https://www.asmag.com/showpost/32098.aspx
[19] State of Internet Traffic Trend' report by ACT

Company Overview

Financial Performance

(₹ in millions except per share data)

Particulars	Consolidated		Standalone	
	FY21	FY20	FY21	FY20
Revenue	108,368.95	109,914.82	74,834.06	77,402.32
Less: Cost of Materials and Stores and Spare Parts Consumed	2,007.49	2,670.55	712.91	1,309.54
Less: Employee Expenses	92,968.43	90,634.38	68,187.62	67,914.63
Less: Other Expenses	8,811.93	10,031.87	5,261.92	4,842.87
EBITDA	4,581.10	6,578.02	671.61	3,335.28
EBITDA Margin	4.23%	5.99%	4.31%	4.31%
Add: Other Income	450.90	510.89	303.79	475.46
Less: Finance Costs	1,112.93	1,668.01	634.63	967.99
Less: Depreciation & Amortisation Expense	2,285.28	2,486 07	525.09	656.18
Add: Share of Profits in Associates	(114.27)	(138.33)	-	-
Less: Exceptional Item	(326.89)	6,640.52	112.70	5,261.18
Profit Before Tax	1,846.41	(3,844.02)	(297.02)	(3,074.61)
Profit Before Tax Margin	1.70%	(3.50)%	(0.40)%	(3.97)%
Less: Tax Expense	1,109.52	474.76	701.49	294.46
Profit After Tax	736.89	(4,318.78)	(998.51)	(3,369.07)
Profit After Tax Margin	0.68%	(3.93)%	(1.33)%	(4.35)%
Add: Other Comprehensive Income/ (Losses)	(15.76)	97.44	(61.08)	(51.22)
Total Comprehensive income for the year	721.13	(4,221.34)	(1,059.59)	(3,420.29)
Diluted EPS (in ₹)	3.87	(30.22)	(6.67)	(22.89)

Key Highlights for FY21

Revenue from operations

The company's consolidated revenue registered a marginal drop of 1.4% to reach ₹ 108.37 billion as compared to ₹ 109.91 billion in FY20. The company saw 19.5% de-growth in Q1, resurgence of growth in H2 ensured that revenue closed flat for the year over FY20.

Employee headcount dropped to 3,63,000 in FY21 from a historic high of 3,84,000 in FY20, a fall of 5.5% due to COVID and resulting lockdowns across the country.

EBITDA

Consolidated EBITDA reached ₹ 4.58 billion, registering a drop of 30% over FY20, driven by ₹ 1.19 billion provision taken towards legacy government business.

Lockdown related negative impact on our education and food business was approximately ₹ 980 million.

EBITDA margins stood at 4.23% for the year against 5.99% in FY20, down 176 bps due to one-time provision on legacy government business and lockdown impact on our high margin education and food business mainly in IT/ITES and education sector. Normalized EBITDA margins stood at 6.23% for the year.

Cost of Materials and Stores and Spare Parts Consumed

Cost of materials and stores and spare parts consumed dropped 25% year on year to ₹ 2 billion in FY21 from ₹ 2.67 billion in FY20 due to the effect of the lockdown on the food business, within our integrated facility management business.

Other Expenses

Other expenses include ₹ 1.19 billion provision taken towards legacy government business. Adjusted for this, other expenses have reduced by 24% YOY. We closed the year with lower operating expenses due to lockdown across travel and conveyance (₹ 840 million), recruitment and training (₹ 360 million) with lockdown related impact in training business and business promotion and advertisement (₹ 340 million). We have made great strides during the year in driving our cost lower with operational efficiencies, rationalization and automation. Our SG&A cost has reduced to 6% of revenue during the year against 7% in FY20.

Finance Cost

Finance cost for the year was ₹ 1.11 billion against ₹ 1.67 billion for the previous year, a decrease of 32.9%. Decrease in finance cost is mainly due to lower debt during the year through focused collections and interest rate reductions.

The gross debt decreased ₹ 5.16 billion in FY21 from ₹ 11.47 billion in FY20, a decrease due to repayment of ₹ 6.31 billion during the year Finance cost includes impact of Non-Controlling Put Option (NCI Put Option) to the tune of ₹ 126.87 million in FY21 and ₹ 208.74 million in FY20. NCI Put Option is a non-operating and non-cash charge to the P&L which was to consider Quess' obligation to acquire balance equity shares in our subsidiaries, mainly Conneqt, for an exercise price specified in the share purchase agreement. This Option was exercised in April this year for ₹ 2.08 billion.

Depreciation and Amortization Expenses

The Consolidated Depreciation & Amortization (D&A) Expenses decreased 8% to ₹ 2.29 billion in FY21 from ₹ 2.49 billion in FY20.

Decrease is mostly in intangible amortization which fell to ₹ 240 million in FY21 from ₹ 440 million in FY20, mainly due to intangible impairment of Allsec, Manipal, Vedang and Greenpiece during March 2020.

Share of Profits in Associates

Share of profits in Associates during the year include equity pick up of losses from Terrier (₹ 88.20 million) and East Bengal Football Club Company (₹ 24.70 million).

Exceptional Items

Exceptional items during FY21 include net gain from fair valuation of previously held equity interest on Terrier acquisition (₹ 250 million) and profit on sale of Dependo (₹ 80 million)

Income Taxes

Increase in tax expenses mainly due to DTL on goodwill recognized for ₹ 519.61 million as the tax base of goodwill became NIL consequent to the amendment in the Finance Act, 2021 wherein goodwill will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective 1 April 2020.

Balance Sheet Analysis

Particulars	FY21	FY20
Leverage Metrics		
Debt: Equity	0.21x	0.49x
Working Capital Metrics		
Billed Receivable DSO	30 days	33 days
Return Metrics		
RoCE (pre-tax)	9.10%	14.62%
RoE (post tax)	3.08%	(17.01%)
Normalized RoE (post tax)	10.23%	11.18%
Credit Rating		
Long Term	ICRA AA [Stable]	ICRA AA [Stable]
Short Term	ICRA A1+	ICRA A1+

Goodwill: Increase in goodwill is due to goodwill accounted for Terrier Security (₹ 1.50 billion)

Income tax assets: Income tax assets decreased to ₹ 2.77 billion from ₹ 4.33 billion due to income tax refunds received during the year (₹ 3.09 billion including interest of ₹ 311.20 million) offset by TDS receivables from customers during the year.

Billed Receivable DSO: Billed receivable DSO improved to 30 days in FY21 from 33 days in FY20 as we continue to focus on collections.

Cash and Cash Equivalents: The cash and cash equivalent balance including bank balances and current investments stood at ₹ 6.14 billion as of 31 March 2021 in comparison to ₹ 7.92 billion as on 31 March 2020, registering a decrease of 22.45% due to better cash management and debt repayment during the year. We moved to a net cash position during the year from net debt at one time with net cash position at ₹ 986 million at the end of FY21 from net debt of ₹ 3.55 billion at the end of FY20.

Borrowings: Long-term debt reduced by ₹ 606.60 million to ₹ 543.07 million, as on 31 March 2021. Short-term debt decreased by ₹ 5.71 billion to reach ₹ 4.61 billion as on 31 March 2021. Debt: Equity ratio improved substantially to 0.21x during the year.

Cash Flow from Operations: Cash flow from operations almost doubled, increasing by 98% to ₹ 7.15 billion in FY21 from ₹ 3.61 billion in FY20.

Operating EBITDA to OCF: The ratio increased to 131% from 44% in FY20. Operating EBITDA for the year stood at ₹ 4.50 billion.

Financial Ratios

Ratios	FY 2021	FY 2020
DSO days	30 days	33 days
Interest Coverage Ratio	5x	5x
Current Ratio	1.58	1.27
Debt Equity Ratio*	0.21x	0.49x
EBITDA Margin	4.23%	5.99%
Net Profit Margin	0.68%	(3.93)%
Normalized Net profit margin	2.26%	2.43%
Return on Net Worth	3.08%	(17.01%)
Normalized return on net worth#	10.23%	10.51%
Debtor Turnover Ratio	11.45	11.50
Working Capital Turnover Ratio	13.96	17.46

* Debt Equity ratio has been improved year on year due to reduction in gross debt by ₹ 6.312 billion.

Normalized return on net worth for FY 2021 after adjusting ₹ 1.19 billion provision towards legacy government business and DTC on goodwill of ₹ 519.61 milllion.

Normalized return on netwoth for FY 20 after adjusting exceptional item of ₹ 6.640 billion towards one time impairment hit taken in FY 20

Business Segment Overview

Workforce Management (WFM)

Quess is the market leader in the Indian workforce management space with presence across Asia Pacific and Middle East offering multiple services including General Staffing, IT staffing, Skilling and learning solutions, and Digital compliance solutions. In the last 13 years, our biggest strength has been building and sustaining our reach and scale within the segment. With 65 offices across the country, we aim to deliver a seamless service experience to our clients.

As per SIA (Staffing Industry Analysts), Quess WFM division has been ranked 50th in the world for 2020, with approximately $930 million revenue, the highest-ever rank by an Asian company in value terms.

Our company plays a pivotal role in ensuring productivity of the workforce through vocational training and the use of technology to manage all the back-end activities of our associates.

General Staffing

a. Services Offered

General Staffing on India's most advanced hire to retire platform

- Long and short-term hiring
- Grievance management
- Payroll management
- Engagement programmes
- Statute & compliance management
- Exit formalities

Managed Services on our leading WorQ© platform

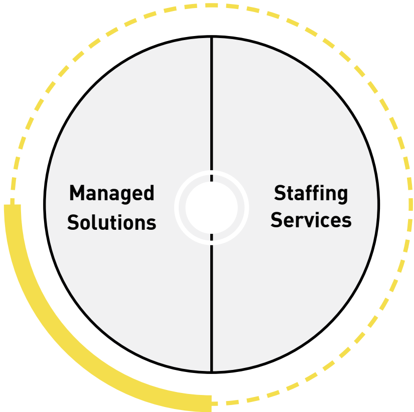
- Engagement programmes
- Rewards and recognition Programmes asset deployment
- Training management
- Hire, train and deploy

b. Key Highlights for FY21

- We are India's largest general staffing services company providing resources to 900+ clients located across 400+ cities and towns.
- We were featured in the top 50 of SIA's prestigious Largest Global Staffing Firms 2020 list.
- In a typical month, we hire and on-board 19,000 people
- We leverage India's leading hire to retire platform to drive superior productivity of 1:347 (Core to associate). The platform facilitates accelerated hiring through automation of pre-screening, assessment, mandate creation, and offer letter generation processes.
- The General Staffing business maintained the Head count volume recording a total headcount of 2,40,000+ associates, despite an 15% reduction of resources during the year owing to COVID impact in H1.
- We have added 96 new customers this year, a large portion of whom were either first-time outsourcers or previously using unorganised staffing companies.

IT Staffing

a. Services Offered



b. Key Highlights for FY21

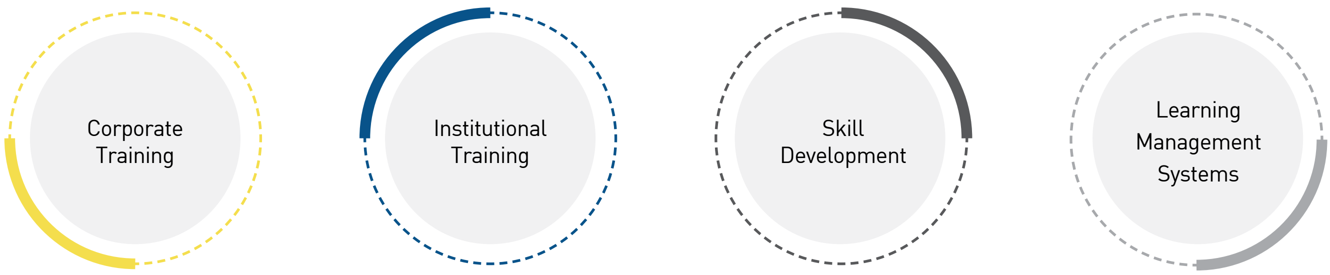
- Quess' IT staffing division is India's largest and is equipped with over 20 years of experience in staffing IT professionals across 300+ companies.
- Our 8,100+ associates deployed are proficient in over 500 technological skills. It enables us to deliver all- inclusive talent management solutions for our clients from different geographies and businesses.
- EBITDA grew by 54% over last year, owing to high margins in the digital segment. Increased demand for IT professionals has helped us to reach higher revenue per associate per month and improved our gross margins in the IT staffing business in India.
- While the employee headcount remained flat in the Singapore IT staffing business due to restrictions imposed on issuing employment passes, we utilised the onshore talent in the island nation to fill various vacant positions, resulting in EBITDA growth.
- Our other APAC markets, including countries like Malaysia, Vietnam, and the Philippines offered similar outcomes like the Singapore business. Due to prolonged lockdowns on account of COVID-19, clients in international markets opted for outsourced operations via IT Staffing.
- In the Middle East market, EBITDA has doubled over the last fiscal year.

Skilling & Learning Solutions

Quess provides skilling and learning solutions under the brand name Excelus. Historically, Excelus has focused on B2G business where it has specialized in providing quality training to improve the employability of the nation's youth. We have developed in-house content for 61 copyrighted courses in sectors like IT/ITeS, manufacturing, security and construction as per mandates set forth by the respective Sector Skills Council.

In line with the organisation-wide focus on improving OCF, Excelus will focus away from B2G projects going forward, not accepting new milestone-based projects while ensuring we execute on all existing commitments.

a. Services Offered

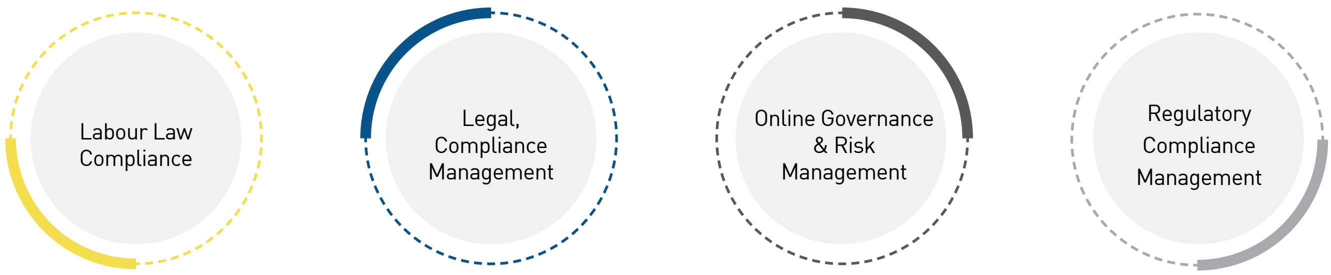


b. Key Highlights for FY21

- We have been recognized as the Best Training Partner for Social Initiative and Assessment and have been certified by the Tourism & Hospitality Sector Skill Council of India.
- The COVID-19 pandemic adversely impacted our operations as training centres largely remained closed. Even after re-opening, we were operating at a low capacity to follow social distancing regulations and this led to underutilization of training spaces.
- We have minimized the losses by reducing the number of training centres and have introduced new offerings like digital e-learning skills and training solutions.

Digital Compliance Solutions

a. Service Offered



b. Key Highlights for FY21

- Simpliance Technologies, a subsidiary of Quess Corp, is India's largest integrated digital compliance platform for labour laws, consolidating Acts, rules, government notifications and minimum wacross India.
- We are also the largest digital platform for automated statutory compliance management, helping businesses comply with Indian labour laws. We provide companies with our catalogue of curated labour laws in India and offer accurate tracking of assets through digital solutions.
- Our revolutionary automated statutory audit platform, driven by AI & Machine Learning technology, is helping companies halve their costs while conducting 100% checks of all records submitted, resulting in faster completion of audit.

India's most advanced hire to retire platform

During the year under review, we have adopted WorQ as a complete workforce management product delivering employee governance, productivity tracking and engagement on a single platform. A focused adoption drive has helped improve Monthly Average Users (MAU) of WorQ by about 85%, making it one of the most widely used workforce management products in India.

WorQ aims to assist employees right from the start of their employment journey, helping them to complete formalities related to F&F and availing experience certificate, relieving letter, gratuity payments, etc.

To improve employee engagement and maximize non-salary benefits for our employees, we launched DASH, a premium employee benefits platform that offers Quess employees exclusive access to numerous deals from top brands.

Foraying into the gig economy

Only about 15% of the Indian population is employed in the formal sector, including public sector enterprises, central & state governments, private & public listed companies. In a country of our size and population, millions strive to find better employment opportunities. As a result, the gig economy has fast emerged as a growing mode of income generation. Offering varied opportunities for professional growth, it continues to employ professionals in numerous short-term, freelance projects and other task-based assignments. To capitalise on this opportunity, In Q3, Quess entered into a definitive agreement to buy 49% stake in one of the leading gig economy start-ups Taskmo for ₹ 1 million, making us the first organised staffing player to enter this segment.

Focus areas

Continuing to boost digital capabilities to drive productivity and customer satisfaction.

Building a gig-based staffing business through Taskmo to take advantage of the huge developing opportunity in gig economy.

Ramping up capacity and productivity in the IT staffing business to handle the surge in demand.

Global Technology Solutions

The Global Technology Solutions platform offers 4 key service lines: 1. Platform-based services, 2. Customer lifecycle management (CLM) solutions, 3. Non-voice BPO solutions, and 4. IT Services.

At present, our GTS platform generates 69% of business from India and 31% from North America, with CLM, Non-voice BPO, IT services and Platforms accounting for 39%, 25%, 21% and 15% of the business respectively.

Despite the pandemic induced global slowdown, GTS recovered quickly and regained the Q4 FY20 revenue rate of ₹ 4.54 billion by Q3 FY21. It remained the highest margin platform in Quess ecosystem with an EBITDA margin of 16.1% in Q4 FY21. Despite the slowdown, the business grew its absolute EBITDA by 20% on YoY basis to ₹ 738 million in Q4 FY21 from ₹ 616 million in Q4 FY20. Higher profitability was achieved due to relative stickiness of tech-enabled services during the pandemic, coupled with improvement in operational efficiencies in response to the pandemic.[20]

Platform Business

a. Services offered

InsureTech Platform

- InsurTech Platform is an on-demand comprehensive suite that covers the entire insurance processing life cycle, leveraging our proprietary solution in combination with partner vendor solutions
- Provides a digital operating system for insurance companies and includes services with subscription-based and outcome-based rental models – to process various transactions like policy underwriting and claims
- Industry-leading SaaS solution for policy, underwriting, billing and claims processing for the North American P&C insurance industry

HR Outsourcing

- It includes outsourcing of HR services from on-boarding to payroll processing and compliance management
- Payroll outsourcing services provide the customer global configurable payroll and tax engine
- Analytics-driven first call resolution (FCR), multilingual support, and custom training modules
- SaaS-based solutions include SmartPay, SmartHRMS– powerful RPA-enabled processing engine, fully customizable, flexible, and scalable compliance solutions

b. Key Highlights for FY21

- Platform business has been the most dependable business in FY21. The business has maintained the Q4 FY20 revenue rate throughout the year despite the pandemic
- InsurTech platform won 10 contracts in FY21 vs 4 in FY20, leading to enhanced margins due to the inherent operating leverage of the platform. The platform recorded average revenue per FTE of $100,000 in FY21, and processed premiums worth $3 billion
- HRO platform business added 44 new client wins in FY21 vs 39 in FY20. The platform business processed 2.6 million payslips in Q4 FY21 vs. 2.1 million in Q4 FY20, an improvement of 23% YoY

Customer Lifecycle Management

a. Services offered

- All facets of customer experience across traditional voice and emerging omnichannel models built on a strong Digital Operations architecture

b. Key Highlights for FY21

- Leading domestic CLM player with 32,195 FTEs serving 120+ clients in 24 Indian and 12 international languages
- Providing services in over 600+ locations across India through the unique 'Feet on Street' offering
- Ranked by Nelson Hall, a leading industry analyst, amongst the leading CLM and BPM service providers in India and the Middle East.
- Managed over 1 million customer contacts per day, via multiple touch points, and empowered each client to make full use of next-generation technology and exceed set targets in record time.
- Our domestic leadership in the CLM space is complemented by international CLM footprint serviced through a globally distributed delivery model across India, the Philippines and the US

[20] All numbers excluding Emerging Businesses

Non-voice BPO

a. Services offered

Collections

- Digital Solutions for
  - Debt collection
  - Fraud and dispute management
  - Revenue cycle management

F&A Outsourcing

- Delivered through a powerful combination of automated tools, analytics-driven decisions, and rapidly scalable processes
- Transaction processing powered by RPA
- Compliance Management - to ensure smooth implementation of processes while conforming to regulatory requirements for clients. It involves processes such as monitoring, employing
- competent experts, liaising with legal consultants, illing employees, and mortgage processing

b. Key Highlights for FY21

- Added 5 customers in the collection business in the year. Despite domestic collections moratorium in H1, the business ended Q4 at ₹ 803 million versus ₹ 815 million a year ago.
- Witnessing momentum in domestic F&A business, with 6 wins in the year.

IT Services

a. Services offered

Cloud/Infra & Cyber Security

- Private cloud-based platform solution providing infra management across data centres and end-users
- SOC based Cyber Security monitoring
- Consulting, Migration and System Integration Services

IT Consulting

- Leading IT Consulting player for the Canadian government services sector
- Expanding further in the Canadian private sector
- High-value digital, business analytics, and programme management skills

Analytics/Automation & Digital Testing Services

- Data warehouse and business intelligence in P&C RPA
- Domain-led digital testing services for both packaged apps and custom solutions

b. Key Highlights for FY21

- One of the fastest-growing players in the Indian market, with a service delivery architecture based on an optimum mix of NOC/SOC based managed cloud and data centre services, end user compute, and system integration services.
- Domestic IT Services achieved annual revenue of ₹ 600 million, acquiring 16 new customers in FY21.
- Canadian government sector business was adversely affected during the pandemic. However, the business has bounced back during the second half of the year regaining earlier volumes.
- Meanwhile, in the private sector, due to availability of the WFH opportunity, we have started the end user computing and digital workplace services business in Canada, complementing our existing IT consulting agenda and quickly crossed CAD 1 Mn revenue run rate in first two quarters of inception.
- Our Canada business was ranked amongst the 50 Best Places to work in Canada by the Great Place to Work (GPTW) Institute.

Focus Areas

- Focus on converting our CLM customers to omnichannel users and non-CLM BPO services
- Continue to ramp up IT services business, capitalizing on the paucity of quality players in Indian domestic space, adding new service lines to our existing Infrastructure Management Services and Cyber Security
- Grow platform-based services with renewed sales focus and strengthened platform capabilities

Operating Asset Management

Our deep domain expertise ensures efficiency and reliability in the services we provide. Our integrated service offering under one roof simplifies vendor management for our customers and allows us to undertake more SLA-based projects.

Integrated Facilities Management

We are India's premier integrated facility management and food solutions provider. We strive to deliver functionality, comfort, safety and efficiency of the built-in environment by integrating our skilled people and robust processes with modern technology tools.

a. Services offered

Soft Services

- Housekeeping, cleaning and janitorial
- Pantry services
- Waste management
- Horticulture
- Reception, Reprographic, Concierge & helpdesk services
- Store management

Hard Services

- HT & LT Installations
- HVAC Systems
- UPS
- Captive Power
- Fire Detection

Pest Control

- Residential, Commercial and Institutional Pest Control
- Bird Control
- Sterifumigation

Food Services

- Central and On-Site Kitchen

Landscaping Services

- Softscape, Hardscape and Maintenance

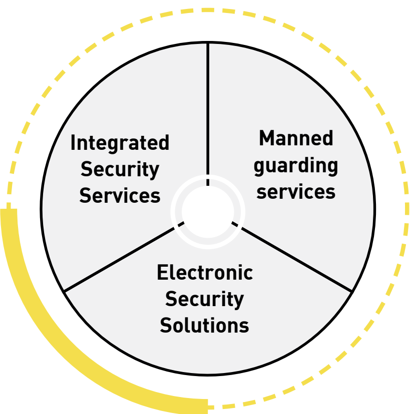
b. Key Highlights for FY21

- With 2,600+ sites and 266 million sq. ft. facilities under our management, we are one of the largest facility management services companies in India.
- Leverage the skills of 44,000+ associates to deliver exceptional service.
- Revenue grew by 6% in Q4 against Q3 FY21: fueled by 11 client wins across healthcare, pharmaceutical, manufacturing, e-commerce and aviation sectors.
- To cater to the growing demand of healthcare workers, we have stepped up our services in the healthcare segment. Healthcare segment accounted for 11% of the total revenue in FY21 against 9.6% last year.
- Diversified our offerings into newer segments including sterifumigation and thermal scanners.
- Improving manpower and resource efficiency: The use of UV disinfectant enabled us to reduce our dependence on water while ensuring efficient cleaning. We are also installing thermal scanners at customers' sites for contactless monitoring of body temperature. Introduction of robots at airports and other workplaces aided in unmanned cleaning and sanitization.
- During the pandemic, various measures were taken to ensure the health, well-being and safety of our employees and their families. Our frontline workers also adhered to safety protocols and social distancing norms as defined by the UN, WHO and GoI.
- Owing to the imposition of lockdowns, revenue from food services declined during FY21. However, during this period, the quality of the food services business improved along with the per plate meal value. To support communities during these challenging times, we prepared healthy and delicious food for 80,000 people.

Security Services

Terrier Security is one of the leading integrated security solutions providers in India today. Our systems leverage innovative technologies, such as IoT and analytical solutions to offer robust security services to our clients. From offering advanced e-surveillance, manned guarding, asset management, video analytics and command centre-led business solutions to perimeter intrusion detection systems, we provide security services that are specifically designed to meet client requirements. We have 3 allied business verticals – Terrier Security Services, Terrier Electronic Security and Terrier Business –together covering the entire spectrum of security solutions.

a. Services offered



b. Key Highlights for FY21

- Revenue grew by 5% in Q4 against Q3 due to introduction of 11 new clients in the security services and 4 new clients in tech enabled projects.
- Cross-selling of IFM and Security services has witnessed an upsurge during the year. In H2, over 15% of new customers deals signed by IFM had bundled security service.
- Strong pan-India presence for diverse sectors such as airports, industries, manufacturing, BFSI, hospitality, education, logistics, IT/ITES, and retail.
- Increased traction in demand for security services in the manufacturing and logistics sectors during the year.
- Domain expertise in the field of electronic surveillance with the introduction of new-age technology. Demand for TESS - Thermal Cameras, for example, has increased rapidly in last fiscal.
- State-of-the-art global command centre strengthening our operating mode.

Industrial Services

We offer industrial services through Hofincons and Vedang Cellular Services. Hofincons is a 40-year-old brand offering expertise in industrial asset management. It provides services related to plant operations, preventive and predictive maintenance, condition monitoring, fabrication and erection, shutdown maintenance services, materials, and data management services. Through Vedang, we offer telecom network optimization, project management and build services.

a. Services offered

Industrial

- Operations & Maintenance for:
  - Steel plants
  - Aluminium smelter
  - Copper smelter
  - Captive power plants
- Oil & gas shutdown services
- Meter reading and Billing

Telecom

- Telecom tower installation
- Network planning
- Network rollout
- Network optimization
- Performance management

b. Key Highlights for FY21

- Acquired 17 customers and gained entry into fertilizer industry for the first time.
- Strengthened presence in Eastern and Northern India in Power O&M vertical

Digital Solutions

Digital solutions are gaining popularity due to their ease and convenience. We champion the use of IoT devices to reduce manpower for tasks such as monitoring and detection. We have aggressively utilized digital site assessment tools to enable speedy site requirement analysis. This analysis enables us to catalogue all the touch points and services required for each touch point.

We are consistently digitalizing daily workflow at customer sites, enabling us to monitor the site in real-time and improve associate productivity. Our digital task management solution keeps track of all SLAs. Presently, 40% of touch points are managed through digital task management. We expect to completely digitalize the daily task management in the coming financial year.

The upcoming roll out of 5G will offer real-time data and intelligence, enabling us to provide integrated services in real time. While our telecom business will be at the forefront of 5G rollout, our security and O&M business will provide 5G based cutting-edge digital solutions to customers.

OAM has also adopted WorQ and Dash as complete workforce management solutions delivering employee governance, productivity tracking and engagement on a single platform. A focused adoption drive through the year has helped improve WorQ's MAU of by about 80%.

Focus Areas

- Technology-enablement in each domain, advocating use of technologies such as HEPA filters and UV lights in the healthcare segment, floor cleaning robots across facilities, and thermal cameras for tighter security.
- Verticalization and domain expertise, continue to build deep domain expertise by creating separate verticals for delivery and sales in specific industries.
- SLA-based and integrated projects, shifting towards outcome-based services.
- More touch-points across India, to aid faster execution.

Emerging Businesses

We continue to invest in our emerging businesses. We believe these businesses have the potential to foster non-linear growth and to add considerable value to the group over 2-3 years.

Monster

Monster is India's second-largest job portal with an international presence in South East Asia (35% of the business) and the Middle East (5% of the business). Over the past year, several features have been added to improve the experience of recruiters as well as job seekers. Our core operating metrices including job postings, page views and job views and organic traffic. Data show significant improvement in active user base over the year.

Monster adopts a digital-first approach and offers comprehensive services for candidate and customer acquisition, recruiter engagement, and brand building. We have a localized marketing approach to maximize outputs in the domestic as well as international market. Our customer acquisition costs have halved over the year to FY21. Additionally, Additionally, introduction of interview preparation tools and features to improve the application process are expected to make Monster one of the most comprehensive recruitment services platforms.

Qdigi

Qdigi has emerged as a market leader in B2B led installation and break-fix services. We service close to 1.2 mn service requests every year, adhering to the highest service standards mandated by marquee partners like Amazon, Samsung, Xiaomi, etc. The launch of our 'direct to customer' services and value-added products like warranties, AMCs, accessories, etc, will further add impetus to the business. We are also optimistic about expanding our service network to new products across healthcare, financial services and energy solutions.

Qdigi had a very challenging start to the year due to the pandemic but has rebounded strongly with new customer additions, increased share of business from key partners, improved operational efficiencies and investments in technology. We have also diversified our revenue streams by launching warranty products under the 'Quess Care' brand. Significant growth in Quess Care and direct to customer business will make Qdigi the most comprehensive break-fix and installation company in the country.

QJobs

Qjobs, launched in November 2020, is a digital platform for blue-collar and entry level jobs, enabling companies to hire verified local candidates that match required skill sets. Over the last few months, we have improved the platform and added efficient features that enable best-in-class auto-screening and role-based screening to generate high quality leads.

340+K

Qjobs mobile installations

186,000

active job openings from 1,400 recruiters

100K skill tests

completed

215K interviews

conducted

10K candidates

placed through Qjobs

WorQ

WorQ is today one of the largest workforce management platforms in India and has helped thousands of Quess customers to comply with regulations and statutory guidelines, improve workforce productivity and drive employee retention.

WorQ is a comprehensive and world- class blue-collar workforce management platform built by Quess with industry-led productivity tools, robust employee self- service modules (attendance, leaves, claims, HR documents, policies etc), and state-of-the-art employee engagement features. It is also equipped with a dedicated employee benefits module. We have introduced additional productivity tools to WorQ over the last year to introduce features such as shift rosters, capacity planning, task management, AI-based shift supervisor, timesheet management etc. WorQ also has geo-tag functionality and is equipped to manage activity-based assignments including merchant surveys, market intelligence projects and outcome based results.

212K in Q4 of FY21 (84% growth YoY)

Monthly active users on WorQ

168K+ unique users

have marked attendance on WorQ during FY21

35 million

attendance impressions have been recorded on WorQ

New Products & Services

Two new products were recently added to the Quess portfolio: Qjobs (Blue collar job platform) and Dash (Employee benefits platform). Our stakeholders have appreciated both these products, giving us the confidence to them on aggressive growth path by the end of the ongoing financial year.

Risk Management

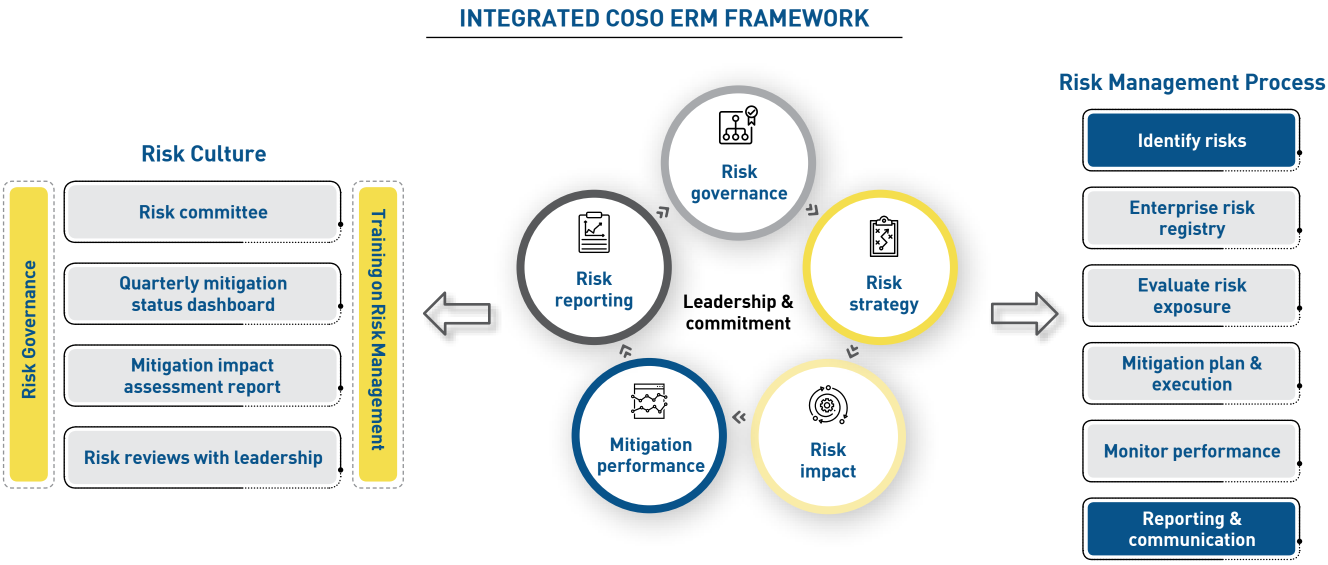
Quess' operations are complex. Hence, risk management is an integral part of the Company's strategy in achieving its long-term goals. Our success as an organisation depends on our effective and robust risk management, which helps us to exploit opportunities strategically, within the Company's appetite for them. This provides assurance to all our key stakeholders that we are on the right path to achieve our performance, profitability and sustainability-related targets and objectives.

The objectives of our risk management are as follows:

1. To ensure all current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed.
2. To establish a risk management framework for the Company and ensure its implementation.
3. To enable compliance with applicable regulations through adoption of best practices.
4. To assure financial stability in business.
5. To ensure integration of reporting, controlling and planning procedures, centralized risk co-ordination, development of risk behaviour, continuous risk assessment and responsiveness to change.

Risk Management Framework

We have implemented a comprehensive ERM framework across the organisation through our risk management function. Our ERM framework is developed by incorporating COSO practices, tailored for our unique business environment.



The Risk Management Policy, as approved by the Board, is available on the website of the Company at https://www.quesscorp.com/corporate-governance

Business environment anywhere is dynamic. Hence it is imperative to proactively identify our key risks, both internal and external. We have designed a process to support our risk management framework in identifying, evaluating, and executing mitigation plans, and to monitor our performance effectively.

The process is conducted on a regular basis by the enterprise risk management team, steered by the top management and overseen by the Risk Sub-Committee of our Board. Functional and business heads are involved to ensure consistency, comprehensive coverage, and to leverage the expertise of people closest to the risks.

This is consolidated through an unbiased estimation of potential impact on our operations, probability of occurrence, and ability to mitigate. Mitigation plans are then developed and implemented by risk owners and approved by top management, after which progress is reviewed on a quarterly basis through third party, internal audit, risk management and top management reviews. Progress made on mitigation plans is reported to the audit Sub-committee and Risk Sub-Committee of the Board.

Key Business Risks

Risk	Risk Description	Mitigation
New business models	Risk of the gig economy becoming mainstream, leading to disruptions in traditional models of manpower supply	The Company balances traditional manpower supply models with new ones to service the requirements of its customers and candidates. The recent investment into Taskmo and in-house digital platforms such as WorQ, Qjobs, ReQruit, etc prepare candidates for the gig economy, by creating job opportunities. These digital platforms reduce time in sourcing and recruitment of candidates for job opportunities across industries. Through these digital platforms, the Company is reiterating its position as a leading service provider with unique digital capabilities.
Business continuity plan	Failure to have a disaster recovery plan might significantly disrupt business operations, leaving little time to recover	The Company has hosted all its critical applications and data on a secure cloud environment. Daily back-ups of cloud databases and user systems are taken and stored at different locations, to ensure quicker data recovery with minimal downtime or disruptions. This has enabled our employees to work remotely, with relevant security protocols during COVID-19 restrictions and prevented disruptions to business operations.
Cyber security and data protection	Cyber attacks and data breach will negatively impact the reputation of the Company	A Cyber Council meets fortnightly to review and improve our readiness. We have installed firewalls and real time security monitoring systems to secure our IT environment. A secure access management system is maintained for all our critical applications and systems. This is further reviewed independently by external experts. The Company has enhanced the Information Security & Data Protection Policy and mandatory e-training modules have been completed by all employees.
Safety at work	Risk of hazards occurring at the work place that might harm or cause injury to employees	The Company has implemented a comprehensive Employee Health, Safety and Environment Conservation Policy to promote health and safety of all employees and to reduce unforeseen incidents at the workplace. We provide work safety training to employees as part of the induction programme, along with specific on-the-job trainings. We conduct safety audits under ISO, FSSAI, etc periodically.
Employee acquisition and retention	Inability to attract and retain candidates, who possess skills and expertise to meet customers' needs will negatively impact business	The Company attracts best talent through traditional as well as digital recruitment platforms such as WorQ, Qjobs, ReQruit, etc. We also ensure career development of our employees through training, reskilling and upskilling opportunities using digital platforms.
Diversity and inclusion	Lack of diversity and inclusion in the workforce can lead to creation of barriers, inequality, low productivity, etc	We pride ourselves in being an 'Equal Opportunity Employer'. We recruit candidates solely on their talent and skills across all levels, providing them learning and training opportunities. Through our diversity and inclusion programmes, we strive to have a more innovative and dynamic work environment , that helps us enhance our Company culture, employee and customer satisfaction, productivity and performance.
Reducing our carbon footprint	Risk caused due to the negative impact of the Company's services on the natural environment	The Company strives to integrate eco-friendly and sustainable development practices into its operations. Various sustainable initiatives are being undertaken by the Company, such as adoption of energy efficiency measures, reduction of avoidable business travel, tracking of waste generated and recycling to reduce our carbon footprint.

Risk	Risk Description	Mitigation
Customer satisfaction	Failure to obtain customer feedback can lead to customer churn, unidentified digital opportunities, lack of growth	To ensure our service delivery delights our customers and to identify areas of improvement, an external CSAT survey is periodically conducted to measure our Net Promoter Score. A key focus area is to leverage our digitisation capabilities through our in-house platforms like WorQ, Qjobs and ReQruit. This has helped us improve our speed of delivery and customer retention.
Compliance with laws and regulations	Violation of laws and regulations might have detrimental consequence, including fines and penalties	In the current business environment where labour laws are undergoing a significant transformation, compliance with rules and regulations is imperative to our business operations. The Company ensures that its governance and compliance function operates effectively, independently and objectively, abiding by regulatory and legal obligations in all the countries we operate.

Our approach to risk management is designed to provide reasonable, but not absolute assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that is required to be disclosed is reported to the senior management including the Chairman, Managing Director, the Audit Committee and the Risk Committee of the Board.

Internal Control Systems and their adequacy

The Company has a strong Internal Control System (ICS), which is aligned to the requirement of the Companies Act, 2013. Further, the company has a robust ICS, commensurate with the size, scale and complexity of its business operations. The Board of Directors has laid down internal financial controls through policies and procedures which are adopted by the company, for ensuring the orderly and efficient conduct of its business, compliance with all applicable laws, rules and directives from any statutory or regulatory authority, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

Ernst & Young LLP, internal auditors of the company, oversee and perform our internal audit reviews. The scope and authority of the internal auditors is clearly defined by the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The internal auditor monitors and evaluates the efficacy and adequacy of the ICS of the company and its compliance with applicable laws/ regulations, accounting procedures and policies.

The Audit Committee in compliance with Section 177 of the Act, comprises six Directors of the company, of which four Directors are independent. The Audit Committee, meets every quarter to review the Internal Audit reports submitted by the internal auditor of the company. Based on these reports, the committee scrutinises and reviews the key audit findings to evaluate the effectiveness and adequacy of the company's financial controls, internal controls, risk management systems and processes (including those relating to compliance with all applicable laws and regulations) to ensure that they are robust and have been appropriately developed and implemented. The internal auditor also provides a status of all key audit findings based on follow-up reviews conducted every quarter to ensure appropriate resolutions are implemented.

Deloitte Haskins and Sells LLP, the statutory auditors of the company, have audited the financial statements of the company, forming part of the annual report, and have issued a report on our internal controls over financial reporting as defined under Section 143 of the Companies Act, 2013.

Further to the above, implementation of an internal control framework, as defined under Section 177 of the Companies Act, 2013 read with Regulation 17 of SEBI (LODR) Regulations, 2015, the Statutory Auditors, along with Audit Committee have opined that the company has, in all material respects, an adequate internal financial controls system over financial reporting and such controls operated effectively during the year.

Board's Report

Dear Members,

Your Board of Directors ("**Board**") with immense pleasure present their 14th Annual Report of Quess Corp Limited **("the Company"** or "**Quess**") for the financial year **("FY")** ended 31 March 2021 **("the year under review"** or **"the year"** or **"FY21")**.

In compliance with the applicable provisions of the Companies Act, 2013, **("the Act")** and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")**, this report covers the financial results and other developments during the financial year from 1 April 2020 to 31 March 2021 in respect of Quess Standalone and Consolidated comprising Quess, its subsidiaries and associate Companies. The consolidated entity has been referred to as "**Quess Group**" or "**the Group**" in this report.

1. Financial Results – An Overview:

In compliance with the provisions of the Act and the Listing Regulations, the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards **("Ind AS")** for the FY21. The standalone and consolidated financial highlights of the Company's operations are as follows:

(₹ in millions, except per equity share data)

Particulars	Consolidated		Standalone	
	FY21	FY20	FY21	FY20
Revenue	108,368.95	109,914.82	74,834.06	77,402.32
Other Income	450.90	510.89	303.79	475.46
Total Income	**108,819.85**	**110,425.71**	**75,137.85**	**77,877.78**
Cost of material and stores and spare parts consumed	2,007.49	2,670.55	712.91	1,309.54
Employee expenses	92,968.43	90,634.38	68,187.62	67,914.63
Other expenses	8,811.93	10,031.87	5,261.92	4,842.87
Finance Costs	1,112.93	1,668.01	634.63	967.99
Depreciation and Amortization Expense	2,285.28	2,486.07	525.09	656.18
Total Expenses	**107,186.06**	**107,490.88**	**75,322.17**	**75,691.21**
Share of Profits/(loss) in Associates	(114.27)	(138.33)	0.00	0.00
Profit/loss before exceptional items and tax	1,519.52	2,796.50	(184.32)	2,186.57
Exceptional items	(326.89)	6,640.52	112.70	5,261.18
Profit/(Loss) Before Tax	**1,846.41**	**(3,844.02)**	**(297.02)**	**(3,074.61)**
Tax Expense	1,109.52	474.76	701.49	294.46
Profit/(Loss) for the year	**736.89**	**(4,318.78)**	**(998.51)**	**(3,369.07)**
Total Comprehensive Income for the year	**721.13**	**(4,221.34)**	**(1,059.59)**	**(3,420.29)**
Basic EPS (in ₹)	**3.92**	**(30.28)**	**(6.76)**	**(22.94)**
Diluted EPS (in ₹)	**3.87**	**(30.22)**	**(6.67)**	**(22.89)**

A detailed performance analysis on various segments, business and operations are provided in the Management Discussion and Analysis which is annexed to this report.

2. Reserves:

The Company has not transferred any amount to the general reserves during the year under review.

3. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

Provisions of Section 125(2) of the Act does not apply to the Company as the Company did not declare any dividend till 31 March 2021.

4. Dividend:

The Board of Directors of your Company at their meeting held on 5 May 2021 declared an interim dividend of ₹ 7/- per equity share of ₹ 10/- each for the financial year 2020-21 aggregating to ₹ 1,033.75 million, in due compliance with applicable laws.

5. Dividend Distribution Policy:

Pursuant to Regulation 43A of the Listing Regulations, the Board of Directors of the Company has formulated a Dividend Distribution Policy. The dividend, if any, to be declared in the future will be paid as per this policy depending on a number of parameters, including but not limited to the Company's profits, capital requirements, overall financial condition, contractual restrictions and other factors considered relevant by the Board. The Dividend Distribution Policy adopted by the Company is available on the Company's website which can be accessed using the link https://www.quesscorp.com/investor/dist/images/pdf/Policies/Dividend_Distribution_Policy.pdf

6. Share Capital:

During the year under review, there has been no change in the Authorised Share Capital of the Company. However, the paid-up share capital of the Company as on 31 March 2021 was ₹ 1,476.79 million as compared to ₹ 1,475.11 million in the previous year.

The paid-up share capital of the Company increased due to the following events/ transactions -

(a) Quess Corp Employees' 2009 Amended Stock Option Scheme ("**ESOP 2009**")–

The Nomination and Remuneration Committee ("**NRC**") vide circular resolution dated 11 May 2020 and 24 July 2020 allotted 58,960 and 38,525 equity shares respectively of ₹ 10 each to the eligible employees of the Company who exercised their options under ESOP 2009.

(b) Quess Employee Stock Option Scheme 2015 ("**ESOP 2015**")–

The NRC at its meeting held on 27 May 2020, 24 July 2020 and 27 January 2021 allotted 13,667, 16,099 and 40,919 equity shares respectively of ₹ 10 each to the eligible employees & ex-employees of the Company who exercised their options under ESOP 2015.

The Company has not issued any debentures, bonds, sweat equity shares, any shares with differential rights or any non-convertible securities during the year under review.

7. Subsidiaries and Associate Companies:

Pursuant to the provisions of Section 129(3) of the Act, a separate statement containing the salient features of the financial statements of all subsidiaries and associate companies/ joint ventures of the Company (in Form AOC - 1) is attached to the financial statements of the Company.

In terms of Section 134 of the Act and Rule 8(1) of the Companies (Accounts) Rules, 2014, the financial position and performance of the subsidiaries are given as an annexure to the Consolidated Financial Statements.

Further, pursuant to the provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company along with relevant documents and separately audited financial statements of the subsidiaries, are available on the Company's official website https://www.quesscorp.com/investor-other-information/.

The Company has approved a policy for determining material subsidiaries and the same is uploaded on the Company's website which can be accessed using the link - https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-for-Material-Subsidiary.pdf. In terms of this policy, Conneqt Business Solutions Limited continues to be a material subsidiary of the Company within the meaning of Regulation 16(c) of the Listing Regulations, for which Secretarial Audit has been conducted pursuant to Regulation 24A of the Listing Regulations. There has been no material change in the nature of the business of the subsidiaries.

As on 31 March 2021, there are total 32 Subsidiary Companies comprising 13 Indian Companies and 19 Foreign Companies. Out of 13 Indian Companies, 8 Companies are wholly–owned subsidiaries, 4 Companies are subsidiaries and 1 Company is a step-down subsidiary. Out of 19 Foreign Companies, 5 Companies are wholly–owned subsidiaries and 14 Companies are step-down subsidiaries. Further, there are 2 Indian and 3 Foreign Associate Companies.

8. Acquisitions/ Investments/ Disinvestment during the year:

- The Board of Directors at its meeting held on 27 May 2020 approved an additional investment of 25% in the equity shares of Terrier Security Services (India) Private Limited ("**Terrier**") from Heptagon Technologies Private Limited ("**Heptagon**") for an amount of ₹64,50,00,000 (Rupees Sixty Four Crore Fifty Lakhs Only) by way of set-off against the amount of loan due from Heptagon. With this, Quess's stake in Terrier increased from 49% to 74% thereby making Terrier, a subsidiary of the Company w.e.f 1 June 2020.

- The Board of Directors on 17 July 2020 approved the termination of the Share Subscription and Shareholder's Agreement dated 5 July 2018 executed between Quess East Bengal FC Private Limited ("**QEBFC**"), East Bengal Club ("**Club**") and Quess Corp Limited ("**Investor**") and also approved the execution of Termination Agreement by way of transfer of the remaining 30% stake from Club and its nominee at an aggregate cash consideration of ₹ 1,000 (Rupees One Thousand Only) as per terms of the Termination Agreement. The shareholding of Quess in QEBFC increased from the existing 70% to 100%, thereby making QEBFC a wholly-owned subsidiary of the Company.

- The Board of Directors, at its meeting held on 28 July 2020 approved the Voluntary Liquidation of Quess East Bengal FC Private Limited, a wholly-owned subsidiary of the Company, under Regulation 59 of the Insolvency and Bankruptcy Code, 2016 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulation, 2017.

- The Board of Directors at its meeting held on 17 August 2020 approved the disinvestment of the Company's 100% equity stake in Dependo Logistics Solutions Private Limited, a wholly-owned subsidiary of the Company at a consideration of ₹ 10,00,00,000/- (Rupees Ten Crore Only) to Altruist Technologies Pvt. Ltd.

- During the year, the Company has invested US$ 4.75 million into Quess Corp (USA) Inc., a wholly-owned subsidiary, by way of infusion of fresh funds against equity.

- Pursuant to Clause 10.4.2 of the Shareholders Agreement dated 20 November 2017 entered between Tata Sons Private Limited, Conneqt Business Solutions Limited and Quess Corp Limited, the Company had received Put Option Exercise Notice dated 24 December 2020 to complete the purchase of 4,48,39,166 Put Shares from Tata Sons Private Limited. The Board in its meeting held on 27 January 2021 delegated powers to Administration and Investment Committee to take all necessary steps to complete the purchase of the aforesaid shares. On 16 April 2021, the acquisition of 30% equity stake in Conneqt was completed.

- The Board of Directors at its meeting held on 27 January 2021 approved the additional investment of 3.76% equity shares in Vedang Cellular Services Private Limited ("Vedang") in accordance with the Shareholder's Agreement dated 25 October 2017 against the put option exercised by Mr. Ashish Kapoor, Promoter & CEO of Vedang for 6,853 equity shares at an aggregate consideration of ₹ 70,00,000 (Rupees Seventy Lakhs Only), thereby increasing the Company's stake in Vedang from 88.71% to 92.47%.

- The Board of Directors at their meeting held on 27 January 2021 accorded its in-principal approval for the subscription of 49% equity shares over multiple tranches in Stellarslog Technovation Pvt. Ltd. ("**TaskMo**"), a gig economy start-up for ₹ 10,00,00,000 (Rupees Ten Crore Only) to be invested in multiple tranches. The Company has invested ₹ 2,00,00,000 (Rupees Two Crore Only) thereby acquiring 38,431 equity shares, i.e. 16.12%, in TaskMo.

- The Company had filed an application before the Regional Director, South-East region, Hyderabad for approval of the Scheme of Amalgamation ("**Scheme**") with four of its wholly owned subsidiaries viz. Golden Star Facilities and Services Private Limited, MFX Infotech Private Limited, Trimax Smart Infraprojects Private Limited, and Green Piece Landscape India Private Limited under Section 233 of the Companies Act, 2013 and rules made thereunder. On 19 March 2021, the Regional Director had rejected the Scheme vide Order no. 3/Kar/CP.No.25/RD(SER)/CAA-11/233/2020 on a technical ground of not securing approval of the shareholders at a General Meeting holding at least 90% of total number of shares. The Company considered a new Scheme of Amalgamation with its wholly-owned subsidiaries through the Tribunal route on 3 June 2021.

9. Particulars of Loans, Guarantees or Investments:

Details of the loans, corporate guarantees and investments covered under Section 186 of the Act forms part of the notes to the Financial Statements provided in this Annual Report.

10. Management Discussion & Analysis:

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming a part of the Annual Report.

11. Directors and Key Managerial Personnel (KMPs):

(a) Director retiring by rotation –

In accordance with the provisions of Section 152 of the Act read with rules made thereunder and the Articles of Association of the Company, Mr. Gopalakrishnan Soundarajan (DIN: 05242795), is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

(b) Appointment of Directors and KMPs –

The Board, approved the appointment of Mr. Gopalakrishnan Soundarajan (DIN: 05242795), as an Additional Director of the Company with effect from 1 April 2020, on the recommendation of the NRC with the approval of shareholders accorded in the 13th AGM held on 29 September 2020.

The Board, on the recommendation of NRC, at its meeting held on 31 August 2020, proposed the re-appointment of Ms. Revathy Ashok (DIN: 00057539) and Mr. Sanjay Anandaram (DIN: 00579785) as Non-executive Independent Directors with the approval of shareholders accorded in the 13th AGM held on 29 September 2020 for a second term/tenure of 5 (five) consecutive years in accordance with the provisions of Section 149(10) of the Companies Act and the Listing Regulations.

The Board, on the recommendation of NRC, at its meeting held on 31 August 2020 approved the appointment of Mr. K. R. Girish (DIN: 07178890) and Mr. Gaurav Mathur (DIN: 00016492) as Additional Directors in the capacity of Non-Executive Independent Director with the approval of shareholders accorded in the 13th AGM held on 29 September 2020 for a term of 5(five) years.

The Board, on the recommendation of NRC, approved the re-designation of Mr. Ajit Isaac (DIN: 00087168), who currently holds the position of "Chairman & Managing Director" as "Executive Chairman" with effect from 1 April 2021, subject to the approval of the shareholders at the ensuing AGM. At the same meeting, it approved the elevation of Mr. K. Suraj Moraje (DIN: 08594844), who currently holds the position of "Executive Director and Group CEO" to "Managing Director and Group CEO" with effect from 1 April 2021 till the end of his current term, subject to the approval of the shareholders at the ensuing AGM. A resolution seeking shareholders' approval for their change in designation along with increase in remuneration forms part of the Notice.

(c) Retirement of Directors –

The Board, on the recommendation of NRC, at its meeting held on 31 August 2020 noted the retirement/expiry of the terms of Mr. Pravir Kumar Vohra (DIN: 00082545) and Mr. Pratip Chaudhuri (DIN: 00915201), Non-Executive Independent Directors of the Company from the conclusion of 13th AGM held on 29 September 2020.

(d) Appointment and Resignation of KMP -

The Board, on the recommendation of NRC and Audit Committee, noted the resignation of Mr. Subramanian Ramakrishnan from the post of Group Chief Financial Officer of the Company w.e.f. the closing of the business hours on 31 March 2021. Mr. Ramakrishnan will continue with the Company as an Advisor for the next 12 months. The Board approved the appointment of Mr. N. Ravi Vishwanath as Group Chief Financial Officer of the Company with effect from 1 April 2021.

(e) Declaration of Independence –

The Company has received declarations from the Independent Directors that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with rules framed thereunder and Regulation 16(1)(b) and 25 of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committees of the Company.

None of the Directors of the Company is disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

12. Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) of the Act, the Board of Directors, to the best of their knowledge and information and explanations received from the Company, confirm that:

a) in the preparation of the accounts for the year ended 31 March 2021, the applicable accounting standards have been followed and there are no material departures from the same;

b) they have selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the loss of the Company for the year under review;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared annual accounts of the Company on a 'going concern' basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) they have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

13. Annual Board Evaluation and Familiarization Programme for Board members:

The Board of Directors and the NRC have carried out an annual evaluation of its own performance, the performance of its Committees and Individual Directors of the Company, including the Chairman of the Board, pursuant to the provisions of the Act and the Listing Regulations on 1 June 2021. The performance as a whole was evaluated by the Board after seeking input from all the Directors based on the criteria such as the Board composition and structure, meetings and procedures, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5 January 2017.

The Nomination and Remuneration Committee reviewed the performance of Individual Directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings, in terms of preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. At the Board Meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees and individual Directors, was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company were evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The familiarization programme aims to provide insight to the Independent Directors to understand the business of the Company, its stakeholders, leadership team, senior management, operations, policies and industry perspective and issues. The Independent Directors are made aware of their roles, rights and responsibilities at the time of their appointment/re-appointment through a formal letter of appointment. A familiarization programme for all the Independent Directors was held on 2 November 2020.

A note on the Familiarisation programme adopted by the Company for orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is referred herewith is made available on the Company's official website at – https://www.quesscorp.com/investor/dist/images/pdf/Policies/Directors_Familiarization_Programme.pdf

14. Business Responsibility Report & Sustainability Report:

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report & Sustainability Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of the Annual Report as '**Annexure – A**'.

15. Audit & Auditors:

(a) Statutory Auditors -

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366 W/W - 100018) were appointed as Statutory Auditors of the Company at the 11th AGM held on 26 July 2018 to hold office from the conclusion of the 11th AGM till the conclusion of the 16th AGM. However, as per the Companies (Amendment) Act, 2017 effective from 7 May 2018, the provisions relating to the ratification of the appointment of Statutory Auditors at every AGM are not required.

The Board has duly examined the Statutory Auditors' Report to the financial statements, which is self-explanatory. Clarifications, wherever necessary, have been included in the notes to the financial statements section of the Annual Report. The Auditors report for FY21 does not contain any qualification, reservation or adverse remark for the year under review. The Auditors Report is enclosed with the financial statements in this Annual Report. During the year under review, the Auditors have not reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134(3) (ca) of the Act.

Further, pursuant to Listing Regulations, Audit Committee had a separate meeting with the Statutory Auditors on 6 January 2021.

The Auditor's certificate on the implementation of share based schemes in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014, will be made available at the AGM, electronically.

(b) Secretarial Auditors -

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board, at its meeting held on 27 January 2021 had approved the appointment of Mr. S.N. Mishra, proprietor of M/s. SNM & Associates, Practicing Company Secretary (C.P. No. 4684) as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY21. The Company had also received written consent from Mr. S. N. Mishra to act as such.

The Secretarial Audit Report for FY21 is annexed as '**Annexure – B**' and forms an integral part of this report. The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark for the year under review. During the year under review, the Auditors have not reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

Further, as per the amended Regulation 24A vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Secretarial Audit Report of Conneqt, being a material subsidiary is annexed as '**Annexure – C**'

Pursuant to Regulation 24A of the Listing Regulations, a Secretarial Compliance Report for the financial year ended 31 March 2021 is annexed as '**Annexure – D**'

(c) Internal Auditors –

The Board, on the recommendation of the Audit Committee, in its meeting held on 27 May 2020 had approved the appointment of M/s. Ernst & Young as the Internal Auditors of the Company for FY21 to conduct the audit on basis of a detailed internal audit plan which is reviewed each year in consultation with the Internal Audit Team and the Audit Committee. On a quarterly basis also, Internal Auditors give presentations and provide a report to the Audit Committee of the Company.

The Board, on the recommendation of the Audit Committee, has re-appointed M/s. Ernst & Young as the Internal Auditors for the FY21.

(d) Cost Audit -

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is not required by the Company and accordingly such accounts and records are not made and maintained.

16. Risk Management:

The Board of the Company has adopted the Risk Management Policy in order to assess, monitor and manage risk throughout the Company. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of the Risk Management Policy have been covered in the Management Discussion and Analysis, which forms part of this report. Risk is an integral part of the Company's business and sound risk management is critical to the success of the organization. The Risk Management policy, as approved by the Board, is displayed on the official website of the Company and can be accessed using the link – https://www.quesscorp.com/investor/dist/images/pdf/Policies/Risk-Management-Policy.pdf

17. Internal Financial Control Systems and Their Adequacy:

Internal Financial Controls are an integrated part of the risk management process which in turn is a part of Corporate Governance addressing financial and financial reporting risks. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company has established a strong framework for internal financial controls. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY21 and their adequacy are included in the Management Discussion and Analysis, which forms part of this Report.

18. Related Party Transactions:

All Related Party Transactions entered during the FY21 were on an arm's length basis and in the ordinary course of business. There were no material significant Related Party Transactions entered by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. Prior omnibus approval from the Audit Committee is obtained for transactions which are repetitive in nature. The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals so granted on a quarterly basis. Pursuant to Regulation 23(9) of the Listing Regulations, the Company has filed the reports on related party transactions with the Stock Exchanges(s).

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **'Annexure – E'** in Form AOC-2 and the same forms part of this report.

The Company has adopted a policy for dealing with Related Party Transactions and is made available on the Company's website at – https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-RPT.pdf

19. Nomination and Remuneration Committee and Company's Policy on Nomination, Remuneration, Board Diversity, Evaluation and Succession:

(a) Policy on Directors Appointment and Remuneration –

In compliance with the provisions of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, the Board, on the recommendation of the NRC has approved the criteria for determining qualifications, positive attributes, and independence of Directors in terms of other applicable provisions of the Act and the rules made thereunder, both in respect of Independent Directors and other Directors as applicable. The Board has adopted a policy which provides for the appointment of Directors, viz. educational and professional background, general understanding of the Company's business dynamics, global business and social perspective, personal achievements and Board diversity, removal and remuneration of Directors, Key Managerial Personnel ("**KMP**") and Senior Management Personnel and also on succession planning and evaluation of Directors. The policy on remuneration can be accessed at web link - https://www.quesscorp.com/investor/dist/images/pdf/Policies/Nomination-and-Remuneration-Policy.pdf

(b) Board Diversity –

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will leverage differences in thought, perspective, knowledge and industry experience to help us retain our competitive strength. The Company has evaluated the policy with a purpose to ensure adequate diversity in its Board of Directors, which enables them to function efficiently and foster differentiated thought processes at the back of varied industrial and management expertise. The Board recognizes the importance of diverse composition and has therefore adopted a Board Diversity Policy. The policy is made available on the Company's website which can be accessed at web link - https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Board-Diversity.pdf

20. Employee Stock Option Plan ("ESOP")/ Restricted Stock Units ("RSUs"):

The Company grants share-based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company. The Company has instituted employee stock option schemes, namely-

(1) Quess Corp Limited Employees' Amended Stock Option Scheme, 2009 (ESOP 2009);

(2) Quess Corp Limited - Employees' Stock Option Scheme, 2015 (ESOP 2015); and

(3) Quess Stock Ownership Plan-2020 (QSOP 2020).

(1) Quess Corp Limited Employee Stock Option Scheme 2009 (ESOP 2009) –

During the year under review, total 97,485 options were exercised by eligible employees and ex-employees.

(2) Quess Corp Limited - Employees' Stock Option Scheme, 2015 (ESOP 2015) -

The Company had implemented the Employees' Stock Option Scheme 2015 ("ESOP 2015") for 19,00,000 options equivalent to the same number of shares with the approval of the shareholders and out of 19,00,000 options, 1,48,440 options were already granted and will be vested under the Scheme. Thereafter, the Board, on the recommendation of NRC, at its meeting held on 18 February 2020 proposed to further amend ESOP 2015 with the approval of Shareholders by way of postal ballot dated 31 March 2020 by way of re-deployment of the balance 17,51,560 options and equity shares under the ESOP 2015 to QSOP 2020. Total number of options left under ESOP 2015 to be exercised was 1,48,440 options.

During the year under review, total 70,685 options were exercised by the eligible employees and ex-employees. As on 31 March 2021, a balance of 68,199 options were outstanding which constitute 0.05% of the issued equity share capital of the Company.

(3) Quess Stock Ownership Plan-2020 (QSOP 2020) -

Grant of Options under QSOP 2020:

- On 11 May 2020, NRC approved the grant of 26,29,795 RSUs at a face value of ₹ 10 per RSU to the eligible employees, which shall vest not earlier than 1 (One) year and not later than 6 (Six) years from the date of grant of RSUs, based on performance parameters and terms and conditions of QSOP 2020. Further, on 24 July 2020 and 27 January 2021, it approved the grant of 74,141 and 154,290 RSUs respectively.
- Each RSU is convertible into 1 equity share of ₹ 10 each upon vesting, subject to compliance of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, terms and conditions of QSOP 2020 and grant letter.
- The aforesaid RSUs can be exercised within 3 years from the date of vesting in terms of QSOP 2020.

A detailed disclosure with respect to stock options, as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI Circular dated 16 June 2015, has been uploaded on the official website of the Company at - https://www.quesscorp.com/investor-other-information/

The Company's Statutory Auditors, M/s. Deloitte and Haskins LLP, have certified that the aforementioned employee stock option plans of the Company have been implemented in accordance with the regulations and the resolutions passed by the members in this regard.

21. Particulars of Employees:

The Company is required to give disclosures under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is annexed as '**Annexure – F**' and forms an integral part of this Report.

The statement containing the top 10 employees on roll and particulars of employees employed throughout the year whose remuneration is more than ₹ 10.20 million or more per annum and employees employed part-time and in receipt of remuneration of ₹ 0.85 million or more per month as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, forms an integral part of this Report. However, the same is not being sent along with this Annual Report to the members of the Company in line with the provision of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing AGM during the business hours on working days.

22. Corporate Governance:

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report. A certificate from Mr. S. N. Mishra, Practicing Company Secretary, Bengaluru, confirming compliance to conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed to the Corporate Governance Report. A statement containing additional information as required under Clause IV of Section II of Part II of Schedule V of the Companies Act, 2013 is provided in the Report on Corporate Governance, which forms part of this Annual Report.

23. Vigil Mechanism/ Whistle Blower Policy:

In compliance with Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in confirmation with the above laws, to report concerns about unethical behaviour. The details of the Policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the website of the Company – https://www.quesscorp.com/investor/dist/images/pdf/Governance/Whistle-BlowerPolicy.pdf

24. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo under Section 134(3)(m) of the Act:

The provisions of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption do not apply to the Company. The Company is a pioneer in workforce management, technologies and has used information technology extensively in its operations.

The details of Foreign exchange earnings and outgo are given below:

- Expenditure in foreign currency: ₹ 30.30 million
- Earnings in foreign currency: ₹ 108.20 million

25. Corporate Social Responsibility ("CSR"):

The Company believes in building and maintaining a sustainable societal value, inspired by a noteworthy vision to actively participate, contribute and impact not just individual lives but create a difference on a social level as well. The CSR initiatives are primarily carried out through the Careworks Foundation (CWF), a non-profit initiative established in January 2014. The consolidated contribution of the Company towards various CSR activities during the financial year 2020-21 is ₹ 42.2 million. CSR spending is guided by the vision of creating long-term benefit to Society.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the CSR Committee.

The Board has adopted the CSR Policy, as formulated and recommended by the CSR Committee, and is available on the Company's website at – https://www.quesscorp.com/investor/dist/images/pdf/Policies/CSR-Policy.pdf

The disclosure of contents of CSR policy pursuant to provisions of Section 134(3)(o) of Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as **'Annexure – G'** to the Board's Report.

26. Secretarial Standards:

Pursuant to the provisions of Section 118 of the Act, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") and notified by the Ministry of Corporate Affairs ("MCA").

27. Deposits:

During the year under review, the Company has neither invited nor accepted deposits from the public/members under Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

28. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company operations in future:

There were no significant and material orders passed by the Regulators, Courts or Tribunals that would impact the going concern status of the Company's operation in the future.

29. Debentures:

During the year, the Company had exercised the call option for redeeming in full the outstanding 750 Secured Redeemable Non-Convertible Debentures having face value of ₹ 10,00,000 (Rupees Ten Lakhs) each aggregating to ₹ 75,00,00,000 (Indian Rupees Seventy Five Crore Only) held by ICICI Prudential Equity & Debt Fund, ICICI Prudential Balanced Advantage Fund, ICICI Prudential Multi-Asset Fund, Debenture Holders on 22 January 2021 in pursuance of the applicable provisions of the Listing Regulations in respect of the said listed Debentures.

As on 31 March 2021, the Company does not have any debentures.

30. Credit Rating:

In order to comply with Basel-II guidelines, the Company has received credit ratings from ICRA Limited with respect to the Company's long-term and short-term fund-based limits. As on 23 March 2021, ICRA has re-affirmed the credit ratings. Hence, there is no change in the credit rating during the year under review. The credit rating is [ICRA] A1+.

31. Number of Meetings of the Board:

The Board met seven (7) times during the year under review. The details of the meeting are provided in the Corporate Governance report that forms part of this Annual Report.

32. Extract of Annual Return:

In terms of Section 92(3) read with Section 134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in the prescribed format is available at https://www.quesscorp.com/investor-other-information/.

33. Information Required Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company is committed to provide a safe and conducive work environment to its employees and has zero tolerance towards any actions which may fall under the ambit of sexual harassment at the workplace. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to promote a healthy work environment and to provide protection to employees at the workplace and redress complaints of sexual harassment and related matters thereto. An Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, has been constituted to enquire into complaints, and to recommend appropriate action, wherever required in compliance with the provisions of the Act. Details of complaints pertaining to sexual harassment that was filed, disposed of and pending during the financial year are provided in the Report on Corporate Governance, which forms part of this Report.

34. Code of Conduct:

The Company has laid down a Code of Conduct for the Directors as well as for all senior management of the Company. As prescribed under Regulation 17 of the Listing Regulations, a declaration signed by the Executive Director and Group CEO affirming compliance with the Code of Conduct by the Directors and senior management personnel of the Company for the FY21 forms part of the Corporate Governance Report.

35. Material changes and commitments affecting financial position between the end of the financial year and date of the report:

There have been no material changes and commitments, which affect the financial position of the Company, that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

36. Cybersecurity:

The Company is committed to providing a secure IT environment across the various systems and infrastructure, by establishing best practices and standards for Cyber Security. Real time security information and event management systems are in place, to continuously monitor and secure the network against identified and unidentified threats. A secure access management system along with VAPT (Vulnerability Assessment and Penetration Testing) for applications facilitates remote working of employees. The Company's Cyber Security Council meets fortnightly, to review and improve the effectiveness of the cyber security systems. Further, periodic interactions of the Cyber Security Council with relevant stakeholders, has ensured sponsorship from senior management and all other critical stakeholders.

37. Acknowledgements:

Your Directors place on record their gratitude to the Central Government, various State Governments and Company's Bankers and advisors for the valuable advice, guidance, assistance, co-operation, and encouragement they have extended to the Company from time to time. The Directors also take this opportunity to thank the Company's customers, suppliers, partners, investors and all other Stakeholders, Regulators and Stock Exchange(s) for their consistent support to the Company.

Last but not the least, the Directors also sincerely acknowledge the significant contributions made by all the employees especially during the COVID times for their continued & dedicated services to the Company.

38. Cautionary Statement:

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein.

The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations include global and domestic economic developments, competitor's behaviour, changes in Government Regulations, tax laws and litigation.

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

Sd/-
Ajit Isaac
Executive Chairman
DIN: 00087168

Place: Bengaluru
Date: 3 June 2021

Annexure -A

Business Responsibility Report

for the financial year ended on 31 March 2021

(As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Section A: General Information about the Company

1 **Corporate Identity Number (CIN) of the Company:** L74140KA2007PLC043909

2 **Name of the Company:** Quess Corp Limited

3 **Registered address:** 3/3/2 Bellandur Gate, Sarjapur Road, Bengaluru - 560103, Karnataka, India

4 **Website:** www.quesscorp.com

5 **E-mail id:** investor@quesscorp.com

6 **Financial Year reported:** 1 April 2020 to 31 March 2021

7 **Sector(s) that the Company is engaged in (industrial activity code-wise):** The NIC Code for the services provided by the Company is 7830

8 **List three key products/services that the Company manufactures/ provides (as in balance sheet):**

i. Staffing and training services
ii. Facilities management and security services
iii. Business process and IT outsourcing services

9 **Total number of locations where business activity is undertaken by the Company:**

i. Number of International Locations
Our locations are available at our website: http://quesscorp.com/Gmap/offices.php

ii. Number of National Locations
Our locations are available at our website: http://quesscorp.com/Gmap/offices.php

Section B: Financial Details of the Company

1 **Paid-up Capital:** ₹ 1,476.79 million

2 **Total Turnover:** ₹ 108,368.95 million (Consolidated)

3 **Total profit after taxes:** ₹ 736.89 million (Consolidated)

4 **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

2% of the average net profits of the Company made during the three immediate preceding years.

Refer our CSR Report in Annexure G to the Board's Report on pg. 80 in our Annual Report

5 **List of activities in which expenditure in 4 above has been incurred:-**

Our CSR activities focused on school enhancement programs including :

1. Student enrichment
2. Health & wellbeing
3. Teacher mentoring
4. Stakeholder engagement
5. School upgradation

Refer our CSR Report in Annexure G to the Board's Report on pg. 80 in our Annual Report

Section C: Other Details

1 **Does the Company have any Subsidiary Company/ Companies?**

Yes, as on 31 March 2021, the Company has 32 direct and indirect subsidiaries.
Particulars of the subsidiary companies are detailed in Form AOC-1 forming part of this Annual Report.

2 **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary Company(s)**

Yes, all 32 Subsidiaries. Each follows our basic corporate guidelines, in addition to specific regulations that may apply.

3 **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

The Company does not mandate its suppliers / distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and to follow the concept of being a responsible business.

Section D: BR Information

1 **Details of Director/Directors responsible for BR**

a) **Details of the Director/Director responsible for implementation of the BR policy/policies**

1.	DIN Number	00087168
2.	Name	Mr. Ajit Isaac
3.	Designation	Executive Chairman

b) **Details of the BR head**

1.	DIN Number	08594844
2.	Name	Mr. K. Suraj Moraje
3.	Designation	Managing Director & Group CEO
4.	Telephone number	080-61056001
5.	e-mail id investor@quesscorp.com	

1. **Principle-wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Business Ethics

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Product Responsibility

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Wellbeing of Employees

Businesses should promote the wellbeing of all employees.

P4: Stakeholders Engagement

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Human Rights

Businesses should respect and promote human rights.

P6: Environment

Business should respect, protect, and make efforts to restore the environment.

P7: Public Policy

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: CSR

Businesses should support inclusive growth and equitable development.

P9: Customer Relations

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1 Business Ethics	P2 Product Responsibility	P3 Wellbeing of Employees	P4 Stakeholders Engagement	P5 Human Rights	P6 Environment	P7 Public Policy	P8 CSR	P9 Customer Relations
1	**Do you have policy/policies for -**	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	**Has the policy being formulated in consultation with the relevant stakeholders?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes, the policies have been formulated after taking into consideration the views of the relevant stakeholders. The draft policies /changes are tabled at the Core Committee Meetings, where they are approved by the Top Management. The policies/changes are further approved by the Board of Directors.								
3	**Does the policy conform to any national/ international standards?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies defined are at a minimum in conformity with the applicable laws and regulations such as Companies Act 2013, ISO standards, etc. Our policies aspire to go beyond compliance by incorporating industry best practices, processes, procedures and timelines to ensure the highest standards are met in line with Quess's values and culture.								
4	**Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes, all the policies have been approved by the Board of Directors of the Company. They have all been signed off by the Managing Director or persons delegated by him.								
5	**Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes, the Company has specified Committees of the Board such as CSR Committee, Stakeholders Relationship Committee, Administration and Investment Committee, Ethics Committee, Risk Management Committee, Audit Committee, Nomination and Remuneration Committee etc. that meet at regular intervals to review the functioning and adequacy of controls mentioned in the polices.								

6 **Indicate the link for the policy to be viewed online?**

P1
1. Code of Business Conduct and Ethics Policy
2. Anti-Bribery and Anti-Corruption Policy

P2
1. Customer Service Policy

P3
1. Health, Safety and Environmental Conservation Policy

P4
1. Whistle Blower's Policy

P5
1. Prevention of Sexual Harassment Policy
2. Human Rights Policy

P6
1. Health, Safety and Environmental Conservation Policy

P7
1. Code of Business Conduct and Ethics Policy

P8
1. CSR Policy

P9
1. Customer Service Policy

The above policies are uploaded on our website at https://www.quesscorp.com/corporate-governance and also on our employee service portal.

Sr. No.	Questions	Business Ethics P1	Product Responsibility P2	Wellbeing of Employees P3	Stakeholders Engagement P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		For external stakeholders, the policies are available on our website at https://www.quesscorp.com/corporate-governance We have extensive training and communication practices in place to ensure all employees are aware of relevant policies. Extensive compliance training is in place to identify and remediate exceptions.								
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Our employee service portal hosts a repository of all the policies and a training portal, where mandatory training modules/sessions are completed within 30 days of joining the Company as part of the induction process with annual re-certification.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stake holders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes, the Company has constituted a Stakeholders Relationship Committee which deals with stakeholder relations and share/debenture holders' grievances and other such issues as may be raised by them from time to time. All grievances are redressed in a timely manner and to the satisfaction of the investors. No grievances were received during the FY21.								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Our Board and management engages several external partners to independently audit key areas such as Entity Level Controls, ISO Audits, Secretarial Audits, CSAT, etc.								

3. **Governance related to BR**

• **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**	The BR performance of the Company is reviewed by the Top Management and regular reviews, typically monthly. The Board of Directors and Committees of the Board assess BR performance as part of respective sub-committee work, and at least annually.
• **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**	Yes, annually. In addition to this BR Report, kindly refer our Sustainability section of our Annual Report on pg. 22. Kindly visit our sustainability webpage & ESG Report at https://www.quesscorp.com/sustainability

Section E: Principle-wise performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company?**

   No, our policy extends to our vendors and partners. Our policy on Code of Business Conduct and Ethics covers ethical conduct and appropriate use of company assets including conflict of interest. Further, we have a policy on Vendor Code of Conduct for our vendor partners.

2. **Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?**

   Yes. Quess policies such as Whistle Blower's Policy, Vendor Code of Conduct Policy, etc. in addition to employees of the Company, also extend to customers, vendors, third party intermediaries, etc.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   No grievances were received during the FY21.
   The Company has constituted a Stakeholders Relationship Committee which deals with stakeholder relations and share/

debenture holders' grievances and other such issues as may be raised by them from time to time.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

Quess provides an array of business services across various platforms and industries. Listed below are 3 unique services that contribute to environmental risks and opportunities

1. Staffing & Recruitment - Involves documentation for processes ranging from recruiting, on-boarding, background verification, employee exit, etc. However, through our various digital & app based recruitment platforms we have significantly reduced our paper consumption.
2. Qdigi break-fix services – During the year ~9 lakh devices (such as mobiles, televisions, air conditioners, washing machines, etc.) have been serviced thereby extending their life and preventing generation of e-waste.
3. Greenpiece landscaping services – A total of 4.2 million sq ft. of green space was developed and/or maintained for our customers during the year.

For further details, refer Sustainability section of our Annual Report on pg. 22.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable. Quess is a services company providing technology and staffing related solutions to its customers, we do not manufacture any products.

3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

As a services company our key input is labour. 100% of our labour is hired with full benefits such as social security, medical insurance, etc.

The majority of our sourcing is for our food business where we try to procure locally for all sites, to reduce transportation costs. We have also made significant progress in reducing plastic and paper consumption in our offices.

4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

During the year, the Company through its focus on responsible supply chain practices, has provided opportunities for the procurement of services and goods from MSME vendors, thereby helping them to improve their capacity and capabilities.

Of the total number of vendors added during the year, 7% were MSME vendors.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as ←5%, 5-10%, →10%).

Greater than 10%.
During the year, the following waste generated was recycled and / or disposed responsibly by the Company:

i. Paper waste of 5,563 kgs
ii. E-waste of 497 kgs

Principle 3 - Businesses should promote the well-being of all employees

1. Please indicate the total number of employees.

Quess is a services company providing technology and staffing related solutions for its customers. We help companies with hiring of temporary labour (Associates), with complete social security benefits.

Our total global employee count as on 31 March 2021 is 3,63,136 of which 6,603 are Core employees and 3,56,533 are Associate employees.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis

As on 31 March 2021, we have 3,56,533 Associates.

3. Please indicate the Number of permanent women employees.

As on 31 March 2021, ~17% of our total employees (~26% of Core) are women.

4. Please indicate the Number of permanent employees with disabilities

The Company does not specifically track the number of disabled employees. It gives equal opportunities and treats all employees at par.

5. Do you have an employee association that is recognized by management?

No

6. **What percentage of your permanent employees is members of this recognized employee association?**

   Not applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	1	0
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? (Permanent Employees, Permanent Woman Employees, Casual/Temporary/Contractual Employees, Employees with Disabilities)**

   Our safety and skill upgradation trainings covers 100% of all our employees irrespective of gender or disabilities.

   Skill upgradation training needs are identified for different employees based on their roles, nature of jobs and customer requirements. Trainings are conducted through awareness sessions, mock drills, classroom sessions, digital platforms, virtual instructor lead trainings, on the job trainings, etc.

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders?**

   Yes. The Company has mapped its stakeholders and they include, but are not limited to shareholders, employees, customers, business partners, suppliers and the wider communities that we serve.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders**

   Yes. Due to the increasing demand for job opportunities amongst blue collar job seekers, Quess developed an in-house digital platform QJobs, to help them find jobs in a quick and transparent manner. As on 31 March 2021, QJobs has 2.13 lakh registered job seekers and 3.88 lakh job openings.

   There is a pressing need to focus on quality education and healthcare to improve the social standing of the disadvantaged, vulnerable & marginalised stakeholders. Quess established CWF (Careworks Foundation) in 2014 as part of its CSR arm to drive quality education & healthcare for children in India.

   For further details refer the CSR Report on pg. 80 of our Annual Report

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes. During the year, some of the special initiatives undertaken are as follows :

   1. Donated medical aid such as thermal scanners, sanitisers, PPE kits, etc. in 70+ schools benefiting 12,560+ students. Further, 2 ventilators were donated to Victoria Hospital, Bengaluru to help support their ICU to treat COVID patients.
   2. Launched digital awareness programmes on COVID-19 with 10,800+ children benefited.
   3. Contacted students via CWF helpline to reduce school drop outs and promote online education during the lockdowns impacting ~ 5,300+ students.
   4. Computer labs in 18 schools were upgraded to provide online training to ~ 4,600+ students during lockdowns.
   5. We were able to provide job opportunities to ~95,000 employees (~27% of total employees as on 31 March 2021) from outside tier-1 and tier-2 cities.
   6. First time social security benefits were provided to 1,06,000 employees (~30% of total employees as on 31 March 2021)

   Refer Sustainability section of our Annual Report on pg. 22.

Principle 5 - Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

   Quess Human Rights Policy covers Quess and all its subsidiaries including our vendors, third party intermediaries, etc.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   In the reporting year, there were no complaints received by the Company.

   Reporting procedure for complaints have been laid down in the Whistle Blower policy. The complaints can either be addressed to the Compliance Officer, Chairman of the Audit Committee or the Ethics Committee for taking appropriate corrective action.

   Further, the policy protects the whistle blower from any form of retaliation such as discrimination or harassment of any kind.

   A detailed investigation is performed under the supervision of the Chairman of the Ethics / Audit Committee and the report with outcomes are tabled every quarter at the Audit Committee.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.**

   Health Safety & Environment Conservation Policy covers employees, customers, suppliers & other stakeholders.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   Yes. The Company as part of its initiatives to build a greener and more sustainable environment maintains 2 public parks with a cumulative coverage of ~97,000 sq. ft.

   Refer our sustainability webpage: https://www.quesscorp.com/sustainability

3. **Does the company identify and assess potential environmental risks?**

   Yes. The Company has identified paper waste and e-waste as potential environmental risks.

   During the year, paper waste of 5,563 kgs & e-waste of 497 kgs was disposed and/or recycled responsibly.

   Refer Sustainability section of our Annual Report on pg. 22.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Not applicable

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.**

   Yes, during the year, the Company has undertaken energy efficiency initiatives such as

   1. Air Conditioner "Switch ON & OFF" Policy across all offices
   2. Convert CFL light into LED light across all offices to save power and reduce heat load

   Refer Sustainability section of our Annual Report on pg. 22.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, we have complied with all environmental laws and regulations applicable to our businesses and in all the locations we operate.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The Company has not violated any environmental laws during the year, nor has any pending cases as at the end of the Financial Year.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

   1) Indian Staffing Federation, where our employee is currently President
   2) Confederation of Indian Industries
   3) Federation of Indian Chamber of Commerce and Industry
   4) Karnataka Employer's association
   5) Apex Chamber of Commerce and Industry, NCT, Delhi

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

   Yes, the Company through its membership in various associations, has proactively worked with Central and State Governments, by providing stakeholder inputs for labour reform and welfare

   1) Governance & Administration – As Quess is India's largest employer and an advocator for labour formalization in India, we have actively engaged with Government and private groups to move forward eg. inputs for digitizing registration and documentation process for statutory compliances such as PF & ESI, suggestions to the Central Government to improve ease of doing business in India, etc.
   2) Economic Reforms – Played a crucial role in providing specific inputs for the contract staffing industry to the Central and state governments, Parliament Standing Committees, etc. particularly with regards to the new labour codes reforms.
   3) Inclusive Development Policies – Engaged with the Government at the Tripartite Conference to provide stakeholder inputs on the draft labour codes, rules, model standing orders, etc. Also, provided suggestions to the State Governments on the process of notifying rules under the labour codes.

Principle 8 - Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes. Our unique business model enables us to offer secure employment opportunities with social benefits for all our associates. The Company is deeply committed to its responsibility towards society and to positively impact the lives of people.

   During the year, the Company hired ~95,000 associates (~27% of total employees as on 31 March 2021) outside tier-1 and tier-2 cities, thereby providing employment opportunities into the formal economy. Further, ~17% of our total employees (Core and Associates) and ~26% of our Core employees are women. This is driven by our recruiters, through targeted mobilization programs.

Refer Sustainability section of our Annual Report on pg. 22.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Careworks Foundation (CWF) was set up in 2014, to undertake education and health initiatives in association with state governments to help improve the quality of government primary & high schools.

We have partnered with the Ministry of Rural Development on a public-private partnership model to drive long duration vocational training programs for the youth of rural India under DDUGKY (Deen Dayal Upadhyaya Grameen Kaushalya Yojana).

Under the NAPS (National Apprenticeship Promotion Scheme) Quess has deployed apprentices in various industries such as retail, manufacturing, leather, etc. in order to promote meaningful employment and skill development for the youth.

To meet the growing demand of the manufacturing industry, Quess has deployed candidates under NEEM Scheme (National Employability Enhancement Mission) of the Government. This has helped candidates get short term wage employment, thereby improving their chances of getting absorbed in the formal economy.

3. **Have you done any impact assessment of your initiative?**

Through the various initiatives of CWF, we have impacted 75 schools covering 13,500 students.

We have provided ~19,000 associates per month with employment opportunities of which, ~1,06,000 employees are getting social security benefits for the first time.

Refer Sustainability section of our Annual Report on pg. 22.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

2% of the average net profits made during the three immediate preceding years as per Sec 135(5) of the Companies Act amounting to ₹ 42.17 million.

Please refer Corporate Social Responsibility Report annexed to this Annual Report on pg. 80.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Yes. Please refer Corporate Social Responsibility report annexed to this Annual Report on pg. 80.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

There are no consumer cases pending against the Company as on 31 March 2021

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. /Remarks (additional information)**

Not applicable. The Company provides services and does not manufacture any products.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.**

No, in the reporting year, there were no complaints received by the Company.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. During the year, the Company engaged with an external agency to conduct a CSAT survey. The survey enables us to understand client's expectations, satisfaction levels and overall experience of service delivery by Quess. The feedback was collected through a mix of web surveys & telephonic calls against a structured questionnaire by the agency. The management has reviewed the report and has identified actions to improve customer experience.

For and on behalf of Board of Directors of Quess Corp Limited

Sd/-
Ajit Isaac
Executive Chairman
DIN: 00087168

Place: Bengaluru
Date: 3 June 2021

Annexure - B

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)]

To,
The Members,
Quess Corp Limited
CIN: L74140KA2007PLC043909
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bengaluru- 560103

I, S.N. Mishra proprietor of SNM & Associates, Bengaluru bearing Membership No. 6143 and C.P. No. 4684, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Quess Corp Limited CIN: L74140KA2007PLC043909 listed at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (hereinafter called "the Company") for the financial year ended 31 March 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms, registers and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed there under;

(iv) The SEBI Act 1992 and its applicable rules and regulations as under;

- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)
- SEBI (Prohibitions of Insider Trading) Regulations, 2015
- Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
- SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- SEBI (Investor Protection and Education Fund) Regulations, 2009
- SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009
- SEBI (Issue and Listing of Debt Securities) Regulations, 2008
- SEBI (Regulatory Fee on Stock Exchanges) Regulations, 2006
- SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
- SEBI (Depositories and Participants) Regulations 2018
- SEBI (Share Based Employee Benefits) Regulations, 2014

(v) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

(vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(vii) Labour Laws as applicable and the rules and regulations made thereunder:

(viii) Tax Laws as applicable and the rules and regulations made thereunder;

I have also examined compliance with the requirements under Chapter IV of SEBI LODR.

During the period under review, based on verification of the records maintained by the Company and also on the review of compliance reports / statements by respective department heads / Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exists in the Company to monitor and ensure compliance with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report. I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

I report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors and is in compliance with Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   The Board met 7 (Seven) times during the year on 27.05.2020, 28.07.2020, 17.08.2020, 31.08.2020, 30.10.2020, 27.01.2021 and 01.03.2021. The intervening gap between the Meetings was within the period prescribed under Section 174 of the Companies Act, 2013 and Regulation 17(2) of SEBI LODR.

   The participation of Directors in the meetings is duly recorded. During the period under review the requisite quorum was present in all the Board Meetings by participation of Directors in the meetings through video conferencing.

   Notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent for all board meetings held during the year under consideration. The Company has a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company is in compliance with Regulation 29 of SEBI LODR w.r.t. prior intimation of Board Meetings as applicable.

   Circular resolutions passed during the period under review were in accordance with the provisions of the Act.

   Majority decision is carried through while the members' views are captured and recorded as part of the minutes.

2. The annual general meeting for the financial year ending on 31 March 2020 was held on 29 September 2020 after giving due notice to the members of the Company, with the requisite quorum and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

   No extraordinary general meetings or postal ballot was conducted by the Company during the period under review.

3. The Company has the following committees in place and the members of the committees meet at regular intervals to discuss and execute the relevant functions/operations as per the terms of the policy framed for the purpose:

   - Audit Committee
   - Corporate Social Responsibility Committee
   - Nomination and Remuneration Committee
   - Stakeholders Relationship Committee
   - Risk Management Committee
   - Administration and Investment Committee
   - Independent Directors Committee
   - Preferential Issue Committee

4. In accordance with Schedule IV of the Act and Regulation 25(3) of SEBI (LODR), 2015, an exclusive meeting of Independent Directors was held without the presence of Non-independent Directors & members of management, on 02 November 2020 at which all Independent Directors were present.

5. The Company is generally regular in filing forms and returns with the Registrar of Companies, and other statutory bodies as applicable from time to time within the time prescribed under the Act and the rules made there under and with additional fees wherever there is a delay.

6. The Company is in regular compliance with Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018.

7. The Company is registered with a Registrar and Transfer Agent as provided hereunder, who are duly registered as per The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 who on behalf of the Company, maintains the records of holders of securities issued by the company and deals with all matters connected with the transfer and redemption of securities.

   Link Intime India Private Limited

   Add: C-13, Pannalal Silk Mills Compound, L.B.S.Marg,

   Bhandup (West), Mumbai – 400078

   Email id: rnt.helpdesk@linkintime.co.in

   Telephone no. (022) 2596 3838

8. The Company is listed with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and is in compliance with the requirements under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

9. The Company is in regular compliance with SEBI Act 1992 and its applicable rules and regulations as detailed in Point (iv) of this report.

10. The company is in compliance with the Foreign Exchange Management Act, 1999 and the rules and regulations thereunder to the following extent:

    - The Annual Return on Foreign Assets and Liabilities for the financial year 2019-20 to the Reserve Bank of India was filed within the stipulated time frame in compliance with RBI/ 2013-14/646 A .P. (DIR Series) Circular No. 145.

- The Annual Performance Report for the wholly owned subsidiaries for the period ended 31 March 2020 were filed within the stipulated time frame in compliance with RBI//2015-16/374 A.P. (DIR Series) Circular No.62.

- The Company is in compliance with Regulation 6 of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations w.r.t. investments made Overseas Corporate Bodies during the period under review.

11. As per the information provided to us the Company has framed a policy on Prevention and Prohibition of Sexual Harassment at Workplace and has constituted an Internal Committee to handle matters under the Sexual Harassment of Women at Workplace Act, 2013 and its corresponding rules and regulations.

12. The compliances under the following Labour Laws have been scrutinised by me:

    a. The Karnataka Shops and Establishments Act, 1961
    b. The Minimum Wages Act, 1948
    c. The Payment of Wages Act, 1936
    d. The Payment of Bonus Act, 1965
    e. Equal Remuneration Act, 1976
    f. The Payment of Gratuity Act, 1972
    g. The Employees' Compensation Act, 1923
    h. The Maternity Benefit Act, 1961
    i. The Child Labour (Prohibition and Regulation) Act, 1986
    j. The Contract Labour (Regulation and Abolition) Act, 1970
    k. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
    l. The Apprentices Act, 1961
    m. Industrial Employment (Standing Orders) Act, 1946 read with Industrial Employment (Standing Orders) (Karnataka) Rules, 1961
    n. Labour Welfare Fund Act

    The Company has complied with the applicable provisions, registrations, filing of returns, maintenance of records and display of abstracts as required under these various Labour laws their corresponding rules, regulations and guidelines thereunder.

13. During the period under review, the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Certain non-material findings under Company Law, Listing Regulations and Labour Laws as highlighted by me during the course of audit have been addressed suitably by the management by initiating necessary steps.

14. For compliances under various tax laws I have relied on the reports submitted by the Internal Auditors and the Statutory Auditors of the Company. As per the reports provided the Company is in compliance under the various tax laws and the corresponding rules, regulations and guidelines as applicable to the Company.

15. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

    This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Sd/-
S.N.Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143
UDIN : F006143C000419721

Place: Bengaluru
Date : 3 June 2021

Annexure 'A'

To,
The Members
Quess Corp Limited
CIN: L74140KA2007PLC043909
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bengaluru- 560103

My Secretarial Audit Report for the financial year ended 31 March 2021 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
S.N.Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143
UDIN : F006143C000419721

Place: Bengaluru
Date : 3 June 2021

Annexure - C

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)]

To,
The Members
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060
1-8-371, Gowra Trinity, Chiran Fort Lane
S.P. Road, Begumpet
Hyderabad 500 003, Telengana

I, S. N. Mishra, proprietor of SNM & Associates, Company Secretaries, Bengaluru bearing Membership No. 6143 and C.P. No. 4684, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Conneqt Business Solutions Limited, CIN: U64200TG1995PLC044060 (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, for the financial year ended on 31 March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

(i) The Companies Act, 2013 and the rules made thereunder ("**Act**");

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the rules and regulations made there under;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(iv) Labour Laws as applicable and the rules and regulations made thereunder:

(v) Tax Laws as applicable and the rules and regulations made thereunder;

(vi) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

(vii) Secretarial Standards prescribed by the Institute of Company Secretaries of India applicable vide MCA Notification dated 23 April 2015 effective from June 2015.

During the period under review, based on verification of the records maintained by the Company and also on the review of compliance reports / statements by respective department heads / Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exists in the Company to monitor and ensure compliance with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report. I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

I report that:

1. The Board of Directors of the Company is duly constituted in compliance with Section 149 of the Act, read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014. The Board met 6 (six) times during the year on 19.05.2020, 21.07.2020, 17.08.2020, 19.08.2020, 22.10.2020 and 20.01.2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

   Circular resolutions passed during the period under review were in accordance with the provisions of the Act.

   The participation of Directors in the meetings is duly recorded. The requisite quorum was present in the Board Meetings by participation of Directors in the meetings.

   Adequate notice was given to/Short consent was obtained from all directors to schedule the Board Meetings alongwith agenda and detailed notes on agenda. The Company has a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision was carried through, while the Board's views are captured and recorded as part of the minutes.

2. The annual general meeting for the financial year ending on 31 March 2020 was held on 19.08.2020 after giving due notice to the members of the Company and the resolutions passed thereat, were duly recorded in Minutes Book maintained for the purpose.

   No extraordinary general meetings or postal ballot was conducted by the Company during the period under review.

3. The Company has the following committees in place and the members of the committees meet at regular intervals to discuss and execute the relevant functions/operations as per the terms of the policy framed for the purpose:

   - Audit Committee
   - Nomination and Remuneration Committee
   - CSR Committee
   - Committee of Directors

4. In accordance with Schedule IV of the Act an exclusive meeting of Independent Directors was held without the presence of Non-independent Directors & members of management, on 19 19 May 2020 at which all Independent Directors were present.

5. The Company has duly filed all forms and returns with the Registrar of Companies, and other statutory bodies as applicable from time to time within the time prescribed under the Act and the rules made there under and with additional fees wherever there is a delay.

6. The Company has appointed a Registrar and Transfer Agent (RTA) as provided hereunder, who are duly registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 who on behalf of the Company, maintains the records of holders of securities issued by the Company and deals with all matters connected with the transfer and redemption of securities.

   TSR Darashaw Consultants Private Limited
   CIN: U74999MH2018PTC307859
   Address: 1st Floor, Plot-140, Rajesh Mansion,
   Maharshi Karve Road, Oval Maidan, Churchgate,
   Mumbai, Maharashtra – 400020

7. The Company has framed a policy on Prevention and Prohibition of Sexual Harassment at Workplace and has constituted an Internal Committee to handle matters under the Sexual Harassment of Women at Workplace Act, 2013 and its corresponding rules and regulations.

8. The compliances under the following Labour Laws have been scrutinised by me:

   a. The Telangana Shops and Establishments Act, 1988
   b. Professional Tax Act, 1987
   c. The Minimum Wages Act, 1948
   d. The Payment of Wages Act, 1936
   e. The Payment of Bonus Act, 1965
   f. Equal Remuneration Act, 1976
   g. The Payment of Gratuity Act, 1972
   h. The Employees' Compensation Act, 1923
   i. The Maternity Benefit Act, 1961
   j. The Child Labour (Prohibition and Regulation) Act, 1986
   k. The Contract Labour (Regulation and Abolition) Act, 1970
   l. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
   m. The Apprentices Act, 1961
   n. Industrial Employment (Standing Orders) Act, 1946 read with The Telangana Industrial Employment (Standing Orders) Rules, 1953
   o. Rights of Persons with Disabilities Act, 2016

   The Company has majorly complied with the applicable provisions, registrations, filing of returns, maintenance of records and display of abstracts as required under these labour laws and their corresponding rules, regulations and guidelines thereunder;

9. During the period under review, the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, there are certain non-material findings made during the course of the audit relating to Company Law, Secretarial Standards and Labour Laws for which the Management has initiated necessary steps to address suitably.

10. For compliances under various tax laws, I have relied on the reports submitted by the Internal Auditors and the Statutory Auditors of the Company. As per the reports provided, the Company is in compliance under the various tax laws and the corresponding rules, regulations and guidelines as applicable to the Company.

    There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Sd/-
S.N.Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143
UDIN: F006143C000372872

Place: Bengaluru
Date : 26 May 2021

Annexure 'A'

To,
The Members
Conneqt Business Solutions Limited
CIN: U64200TG1995PLC044060
1-8-371, Gowra Trinity, Chiran Fort Lane
S.P. Road, Begumpet
Hyderabad 500 003, Telangana

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-
S.N.Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143

Place: Bengaluru
Date : 26 May 2021

Annexure - D

SECRETARIAL COMPLIANCE REPORT OF QUESS CORP LIMITED

FOR THE YEAR ENDED 31.03.2021

S.N. Mishra, proprietor of SNM & Associates, Bengaluru bearing Membership No. 6143 and C.P. No. 4684 have examined:

A. All the documents and records made available to us and explanation provided by Quess Corp Limited, CIN: L74140KA2007PLC043909, listed at the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) ("the listed entity"),

B. The filings/ submissions made by the listed entity to the stock exchanges,

C. Website of the listed entity,

D. any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the financial year ended on 31 March 2021 ("Review Period") in respect of compliance with the provisions of:

   a. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

   b. The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

b) SEBI (Prohibitions of Insider Trading) Regulations, 2015

c) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012

d) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

e) SEBI (Investor Protection and Education Fund) Regulations, 2009

f) SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009

g) SEBI (Issue and Listing of Debt Securities) Regulations, 2008

h) SEBI (Regulatory Fee on Stock Exchanges) Regulations, 2006

i) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

j) SEBI (Depositories and Participants) Regulations 2018

k) SEBI (Share Based Employee Benefits) Regulations, 2014

And based on the above examination, I/We hereby report that during the Review Period:

a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

b. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

c. No actions have been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during the period under review.

d. The listed entity has taken the following actions to comply with the observations made in previous reports:

   Not Applicable.

Sd/-
S.N.Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143
UDIN: F006143C000419765

Place: Bengaluru
Date : 3 June 2021

Annexure- E

Form No. AOC-2

Particulars of Contracts / Arrangements made with Related Parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31 March 2021, which were not at arm's length basis. The Company has laid down policies and processes/ procedures to ensure compliance with the subject section in the Companies Act, 2013 and the corresponding Rules. Besides, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and the nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Not Applicable					

There were no material contracts or arrangements or transactions entered into during the financial year ended 31 March 2021 crossing the materiality threshold of 10% of the annual consolidated turnover as per the latest audited financial statements of the Company. The details of contracts or arrangements or transactions at arm's length basis for the year ended 31 March 2021 are detailed in the Notes to Financial Statement annexed to the Annual Report for which appropriate approvals have been taken from the Audit Committee and Board of Directors of the Company from time to time.

For and on behalf of Board of Directors of Quess Corp Limited

Sd/-
Ajit Isaac
Executive Chairman
DIN: 00087168

Date: 3 June 2021
Place: Bengaluru

Annexure - F

Details of Ratio of Remuneration of Director

(Pursuant to section 197 (12) read Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014)

A. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1	The ratio of the remuneration of Director to the median remuneration of the employees of the Company for the financial year;	Ajit Isaac – 57 K. Suraj Moraje - 76 The Non-Executive Directors nominated by Promoter were not paid any remuneration. The Independent Directors were paid sitting fees and commission only. Details of the remuneration, sitting fees and Commission paid to the Directors are provided under the Corporate Governance Report.
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Ajit Isaac – NIL K. Suraj Moraje – NIL Subramanian Ramakrishnan- 23% Kundan K Lal – NIL
3	The percentage increase in the median remuneration of employees in the financial year.	3.6%
4	The number of permanent employees on the rolls of the Company;	3,063 employees (approx) (core employees only)
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average annual increase in the remuneration of employees excluding Key Managerial Personnel ("KMP") during FY21 was 3.6% and the average increase in the remuneration of KMP was 5.8%
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

1. Change in designation of Mr. Ajit Isaac from "Chairman and Managing Director" to "Executive Chairman" w.e.f 1 April 2021.
2. Elevation of Mr. K. Suraj Moraje from "Executive Director and Group CEO" to "Managing Director and Group CEO" w.e.f 1 April 2021.
3. Mr. Subramanian Ramakrishnan resigned from the post of Group Chief Financial Officer of the Company w.e.f.31 March 2021.

Variable Pay Compensation

The variable pay of top executives including the Chief Executive Officer and Executive Directors is based on clearly laid out criteria and measures, which are linked to the desired performance and business objectives of the organization.

For and on behalf of Board of Directors of Quess Corp Limited

Sd/-
Ajit Isaac
Executive Chairman
DIN: 00087168

Date: 3 June 2021
Place: Bengaluru

Annexure - G

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2021

1. Brief outline on CSR Policy of the Company:

CSR is an integral part of the Quess Group's business strategy, its values and everyday actions. It defines how we act responsibly as an organization not only just for our clients and business, but for the empowerment of the community around us. The Company believes that the true and full measure of growth, success and progress lies beyond financials or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people. Moreover, our vision clearly states – "To actively contribute to the community in which we operate creating a positive impact on the lives of people especially in the areas of health and education. In so doing build a healthy and educated workforce and provide sustainable livelihood for the weaker sections of society."

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee, indicating the activities to be undertaken by the Company. This policy was amended and approved by the Board of Directors on 27 May 2020, comprising the Company's philosophy for representing its responsibility as a corporate citizen and formulates the guidelines and mechanisms for undertaking development programs for sustainable development of the community at large and is titled as the 'Quess CSR Policy'. This policy applies to all CSR initiatives and activities taken at the various locations of the Quess Group Companies, at the local community for the benefit of different segments of the society, specifically the women, children and the community as a whole.

Our initiatives are aligned to Careworks Foundation ("CWF"), a non-profit initiative established in January 2014 to act as a catalyst of change and create 'Better Lives'. The Company actively contributes to the community and creates positive impact in the lives of people, especially in the areas of health and education. In doing so, we aim to build a healthy and educated workforce and provide a sustainable livelihood for the weaker sections of society.

Your Company believes that it has an essential role to play during the Covid-19 pandemic and is deeply committed to its responsibility to people in this hour of need. On the ground your Company is mobilizing substantial local relief efforts in the communities where it operates. Key Focus areas include Health and Education targeting children through various approaches which is mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013 in the Annexure.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Ms.Revathy Ashok	Chairman, Non-Executive Independent Director	2	2
2.	Mr. Ajit Isaac	Member, Executive Director	2	2
3.	Mr.Pravir Kumar Vohra*	Member, Non-Executive Independent Director	1	1
4.	Mr.Gaurav Mathur*	Member, Non-Executive Independent Director	1	1

*the Committee was re-constituted on 31 August 2020 appointing Mr. Gaurav Mathur as a Member in place of Mr. Pravir Kumar Vohra.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

S No.	Particulars	Web-link
1.	Composition of CSR committee	https://www.quesscorp.com/corporate-governance/
2.	CSR Policy	https://www.quesscorp.com/investor/dist/images/pdf/Policies/CSR-Policy.pdf
3.	CSR projects	https://www.quesscorp.com/csr/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Quess has been voluntarily conducting internal impact assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed after 22 January 2021, for which the impact assessment report is applicable in FY 2021.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding FYs (in ₹)	Amount required to be set-off for the FYs, if any (in ₹)
		NIL	

6. Average net profit of the Company as per section 135(5): ₹ 2,108.60 million

7. a) Two percent of average net profit of the company as per section 135(5): ₹ 42.17 million

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

c) Amount required to be set off for the financial year, if any: Nil

d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 42.17 million

8. a) CSR amount spent or unspent for the FY21:

Total Amount Spent for the FY (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹)	Date of Transfer	Name of the Fund	Amount (in ₹)	Date of Transfer
42.2 million	NIL	-	-	NIL	-

b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current FY (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) millions	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District						
-	-	-	-	-	-	-	-	-	-	-	-

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ in million)

(1)	(2)	(3)	(4)	(5)		(6)	(6)	(7)	(8)
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Direct (Yes/No)	
				State	District			Name	CSR Reg. No.
1.	Contribution for Schedule VII activities – Health and Wellbeing, School Up gradation and Enrichment Program	(i), (ii) and (vii)	Yes	Pan India		42.20	No	Careworks Foundation	CSR00001744
	TOTAL					42.20			

*As detailed in the above table, during the FY21, the Company had contributed ₹ 42.20 million to CWF for undertaking the CSR activities specified under Schedule VII. The Company has received utilization details for ₹ 7.66 million of projects and the on-going projects has been identified and allocated for the balance amount ₹ 34.54 million which will be spent over a period of 3 years.

MCA vide Circular No. 21/2014 dated 18 June 2014 clarified that the contribution to Corpus of a Trust/ society/ section 8 companies etc. will qualify as CSR expenditure as long as (a) the Trust/ society/ section 8 companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act. In view of this, the Company is in compliance of Section 135 of the Companies Act and will ensure that CWF completes the projects for the balance amount within 3 years.

d) Amount spent in Administrative Overheads: Nil^

(^ The same has been incurred by CWF)

e) Amount spent on Impact Assessment, if applicable: NIL

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 42.2 million

g) Excess amount for set off, if any:

S No.	Particulars	Amount (in ₹ million)
(i)	Two percent of average net profit of the company as per Section 135(5)	42.17
(ii)	Total amount spent for the Financial Year	42.20
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.03
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.03

9. a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting FY (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding FYs (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)
S. No.	Project Id	Name of the Project	FY in which the project was commenced	Project duration	Total amount Allocated for the project (in ₹)	Amount spent on the project in the reporting FY (in ₹) (in 2020-21)	Cumulative amount spent at the end of reporting Financial Year (in ₹) (till 2020-21)	Status of the project – Completed /Ongoing
					NIL			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the FY: (asset-wise details)

a) Date of creation or acquisition of the capital asset(s): **None**

b) Amount of CSR spent for creation or acquisition of capital asset: **NIL**

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For and on behalf of the Board of Directors of Quess Corp limited

	Sd/-	**Sd/-**
Date: 3 June 2021	**Krishna Suraj Moraje**	**Revathy Ashok**
Place: Bengaluru	**Managing Director and Group CEO**	**Chairperson, CSR Committee**

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended 31 March 2021, in compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

I. Our Corporate Governance Philosophy

The Corporate Governance principles of Quess Corp Limited ("**Quess**" or "**Company**") are designed to promote a way to sustainable growth, enabling the Company to outperform its business operations in a fair, transparent and ethical manner. It provides a strong framework that defines the roles, rights, and responsibilities of different groups within the organization.

Quess is committed in doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Conduct and Ethics is an extension of our values and reflects our continued commitment to ethical business practices across our operations. This philosophy is further strengthened by its adoption of the Code of Conduct for the Board members and senior management, the Board process, Code of Conduct for the Prevention of Insider Trading and the Code for Fair Disclosure.

The Company acknowledges adherence to all the requirements with regard to corporate governance, as stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations. A report on these is detailed below.

II. Board of Directors

The Board of Directors oversees the Executive Directors and Senior Management including Key Managerial Personnel and ensures that appropriate procedures and controls are in place covering Management's activities in operating the Company on ethical grounds on a day-to-day basis. The Company believes that an effective Board requires an optimum combination of professionals from different spheres with diversity and independence. The Board comprises of enlightened leaders who provide strategic direction and guidance to the management and have the responsibility of ensuring concord between shareholders' expectations, the Company's plans and the management's performance.

a) Board Composition

As on 31 March 2021, the Board comprised eight (8) Directors, of which four (4) are Non-Executive Independent Directors, two (2) are Non-Executive Directors and the other two (2) are Executive Directors including Chairman. The Board is headed by an Executive Chairman. The profiles of the Directors are available on our official website at https://www.quesscorp.com/about/board-of-directors/. The composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("Act").

Pursuant to Regulation 17A of the Listing Regulations, none of the Directors hold directorships in more than eight Listed Companies or ten Public Companies or acts as an Independent Director in more than seven (7) Listed Companies. Also, none of them is a member of more than ten committees or Chairperson of more than five Committees across all the public companies in which he or she is a Director in terms of Regulation 26 of the Listing Regulations. Necessary disclosures regarding Committee positions in other Public Companies as on 31 March 2021, have been received from the Directors. None of the Directors are related inter-se or are a member of an extended family. None of the employees of the Company are related to any of the Directors. None of the Directors have any business relationship with the Company except Mr. Ajit Isaac. None of the Directors have received any loans or advances from the Company during the year.

Further, in terms of the annual disclosures given by the Directors, none of them are disqualified under Section 164(2) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. As required under Regulation 25(8) of the Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Company has obtained Directors' and Officers' Insurance ("D and O Insurance") for all its Directors of such quantum and such risks as determined by its Board of Directors.

b) Board Meetings

Board meetings are scheduled as required under the Listing Regulations, the Act and the Rules made thereunder and as required under business exigencies. The Board met seven (7) times during the year under review and the gap between two consecutive meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI").

These meetings were held on:

1. 27 May 2020;
2. 28 July 2020;
3. 17 August 2020;
4. 31 August 2020;
5. 30 October 2020;
6. 27 January 2021; and
7. 01 March 2021

The Board meetings were held at the Company's Registered and Corporate Office in Bengaluru. However, few Board members attended the meeting through video conferencing due to COVID-19 outbreak. The necessary quorum was present for all the Board meetings. All material information were circulated to all the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations.

The Company is in compliance with the provisions of the Listing Regulations pertaining to the intimation of a notice of a Board Meeting, publication of the notice and the results and outcome of the meeting, etc. The Board periodically reviews the compliance reports of all laws applicable to the Company. The information is also made available to the investors on the Company's official website at: https://www.quesscorp.com/investor-other-information/

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting ("AGM") and the number of Directorships and Committee Chairpersonship/ Memberships held by them in other public limited companies as on 31 March 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/ she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

S. No.	Name & Designation of Director	Category of Director	Attendance at meetings		Number of Directorships in Public Companies (including Quess)[7]	Number of Chairmanship / Membership held in Committees of Public Companies (including Quess)[7]		Name & Category of Directors in Other Listed Entities [7]
			Number of Board Meetings attended during FY 2021 (including through electronic mode)	Whether attended last AGM held on 29 September 2020		Chairman	Member	
1.	Mr. Ajit Isaac (Executive Chairman)[1]	Non-Independent, Executive	7	Yes	2	1	2	Allsec Technologies Ltd. (Non-Independent, Non-Executive)
2.	Mr. K. Suraj Moraje (Managing Director & Group CEO)[2]	Non-Independent, Executive	7	Yes	3	0	0	Allsec Technologies Ltd. (Non-Independent, Non-Executive)
3.	Mr. Chandran Ratnaswami	Non-Independent, Non-Executive	7	Yes	7	0	3	• Thomas Cook (India) Ltd. • IIFL Finance Ltd. (Non-Independent, Executive)
4.	Mr. Gopalakrishnan Soundarajan[3]	Non-Independent, Non-Executive	7	Yes	4	0	1	IIFL Wealth Management Ltd. (Non-Independent, Non-Executive)

S. No.	Name & Designation of Director	Category of Director	Attendance at meetings		Number of Directorships in Public Companies (including Quess)[7]	Number of Chairmanship / Membership held in Committees of Public Companies (including Quess)[7]		Name & Category of Directors in Other Listed Entities [7]
			Number of Board Meetings attended during FY 2021 (including through electronic mode)	Whether attended last AGM held on 29 September 2020		Chairman	Member	
5.	Mr. K. R. Girish[4]	Independent, Non-Executive	3	Yes	1	1	1	Nil
6.	Mr. Gaurav Mathur[4]	Independent, Non-Executive	3	Yes	1	0	1	Nil
7.	Ms. Revathy Ashok[5]	Independent, Non-Executive	7	Yes	8	5	9	• Astrazeneca Pharma India Ltd. • Welspun Corp Ltd. • ADC India Communications Ltd. (Independent, Non-Executive)
8.	Mr. Sanjay Anandaram[5]	Independent, Non-Executive	7	Yes	3	2	5	Allsec Technologies Ltd. (Independent, Non-Executive)
9.	Mr. Pratip Chaudhuri[6]	Independent, Non-Executive	4	No	6	2	9	• CESC Ltd. • Visa Steel Ltd. • Firstsource Solutions Ltd. • Muthoot Finance Ltd. • Spencer's Retail Ltd. • Cosmo Films Ltd. (Independent, Non-Executive)
10.	Mr. Pravir Kumar Vohra[6]	Independent, Non-Executive	4	No	3	2	5	• Thomas Cook (India) Ltd. • IDFC First Bank Ltd. • 3I Infotech Ltd. (Independent, Non-Executive)

Notes:

(1) Re-designated from "Chairman & Managing Director" to "Executive Chairman" w.e.f. 1 April 2021, subject to the shareholders' approval at the ensuing AGM.

(2) Elevated from "Group CEO & Executive Director" to "Group CEO & Managing Director" w.e.f. 1 April 2021 till the end of his current term, subject to the shareholders' approval at the ensuing AGM.

(3) Appointed as an Additional Director w.e.f 1 April 2020 which was regularised at the AGM held on 29 September 2020.

(4) Appointed as Additional Directors in the capacity of Non-Executive Independent Director w.e.f 31 August 2020 which was regularised at the AGM held on 29 September 2020.

(5) Re-appointed as Independent Directors at the AGM held on 29 September 2020.

(6) Ceased to be Independent Directors w.e.f. 29 September 2020 on expiry of their present term from the conclusion of the 13th AGM.

(7) Mentioned as per financial year ended 31 March 2021.

c) Directors with pecuniary relationship or business transaction with the Company

The Executive Directors had received salary, perquisites and allowances and the Non-Executive Independent Directors had received sitting fees for attending meetings of the Board and Committees and commission as approved at the AGM held on 26 July 2018.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

d) Board qualifications, expertise and attributes

Pursuant to corporate governance provisions of the Act and the Listing Regulations, our Board has an optimum combination of Executive and Non-Executive Directors with 50% of the Board comprising Independent Directors. The Nomination and Remuneration Committee ("NRC") along with the Board identifies the right candidate with the right qualities, skills and experience required for an individual member to possess and also the Board as a whole.

Members are expected to possess the required qualifications, integrity, expertise and experience for the position. Members should also possess deep expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.

In case of appointment of Independent Directors, the NRC satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively and ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank. In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

The Board comprises qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. The following skills/ expertise/ competencies have been identified for the effective functioning of the Company and are currently available with the Board:

Corporate strategy and capital allocation	Experience in developing long-term strategies to grow consumer / business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.
Corporate and Board Governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.
Global Business Management	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks and a broad perspective on global market opportunities.
Services Business Management	Service on a board of a public company to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices
Technology-led transformation	A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models, intellectual property in information technology domain, and knowledge of technology trends including BCP and digital transformation of services

Finance and risk management professional	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management and financial reporting processes, or experience in actively supervising a person performing similar functions. Experience in identifying and evaluating the significant risk exposures to the business strategy of the Company and assess the Management's actions to mitigate the strategic, legal and compliance, and operational risk exposures
Environment, Sustainability and Governance (ESG)	Experience in leading the sustainability and ESG visions of organizations, to be able to integrate these into the strategy of the Company

While all the Board members possess the skills identified, their core areas of expertise is given below:

Name of the Director	Area of Expertise
Mr. Ajit Isaac	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Global Business Management, • Services Business Management, • Technology-led transformation, • Finance and risk management professional, and • Environment, Sustainability and Governance
Mr. K. Suraj Moraje	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Global Business Management, • Services Business Management, • Technology-led transformation, • Finance and risk management professional, and • Environment, Sustainability and Governance
Mr. Chandran Ratnaswami	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Global Business Management, • Technology-led transformation, and • Finance and risk management professional.
Mr. Gopalakrishnan Soundarajan	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Global Business Management, and • Finance and risk management professional. • Technology-led transformation
Ms. Revathy Ashok	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Services Business Management, • Technology-led transformation, and • Environment, Sustainability and Governance
Mr. Sanjay Anandaram	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Global Business Management, • Services Business Management, • Technology-led transformation, and • Environment, Sustainability and Governance
Mr. K. R. Girish	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Services Business Management, and • Finance and risk management professional. • Technology-led transformation
Mr. Gaurav Mathur	• Corporate strategy and capital allocation, • Corporate and Board Governance, • Services Business Management, • Technology-led transformation, and • Finance and risk management professional.

e) Independent Directors

(i.) Criteria of Independence –

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

(ii.) Number of Directorships –

The number of Companies in which each Independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulation 17A and 25 of the Listing Regulations.

(iii.) Tenure –

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the Listing Regulations and Section 149(10) of the Act.

Ms. Revathy Ashok and Mr. Sanjay Anandaram were re-appointed as Non-Executive Independent Directors at the previous AGM of the Company held on 29 September 2020 for a period of second term/tenure of 5 (five) consecutive years.

Mr. K. R. Girish and Mr. Gaurav Mathur were appointed as Additional Directors in the capacity of Non-Executive Independent Directors of the Company w.e.f. 31 August 2020 whose appointment was approved by the shareholders at the AGM held on 29 September 2020 for a term of 5 (five) consecutive years.

(iv.) Performance evaluation –

The NRC has laid down criteria for performance evaluation of Independent Directors which are given below:

- Attendance at Board meetings and Board Committee meetings;
- Chairpersonship of the Board and Board Committees;
- Contribution and deployment of knowledge and expertise at the Board and Committee meetings; and
- Guidance and support provided to Senior Management of the Company.

(v.) Separate meeting of Independent Directors –

As stipulated under Section 149(8) read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on 02 November 2020 without the presence of Non-Independent Directors and members of the management to inter-alia discuss matters pertaining to:

- The performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;
- The performance of the Non-Independent Directors and the Board as a whole;
- The quality, quantity and timeliness of the flow of the information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed satisfaction on the Board's freedom to express views on matters transacted at meetings and the manner in which the management discusses various subject matters specified in the agenda of meetings. The suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

The Company has issued formal letters of appointment to all the Independent Directors of the Company in the manner as provided in the Act including the tenure of appointment. The terms and conditions of appointment of the Independent Directors are disclosed on the official website of the Company at https://www.quesscorp.com/investor/dist/images/pdf/Policies/Letter-of-Appointment-for-Independent-Director-with-Terms-and-Conditions.pdf

(vi.) Familiarization Programme –

Our Directors, at the time of their appointment, are provided with information about the Company and its organizational structure, business model, vision and values, latest published results and internal policies to enable them to familiarize themselves with the Company's procedures and practices. A detailed letter containing the Company's expectations, the rights, powers, responsibilities and liabilities of the Independent Director and the policies of the Company are issued to the Independent Directors during their appointment. The Independent Directors are required to adhere to these.

Further, immediate updates on significant issues, if any, are provided to all the Directors immediately on the occurrence of such an event. Periodical presentations are made to the Independent Directors on the Company's strategies and business plans. The Independent Directors are also regularly informed about material regulatory and statutory updates affecting the Company. The details of such familiarization programs are uploaded on the official website of the Company at https://www.quesscorp.com/investor/dist/images/pdf/Policies/Directors_Familiarization_Programme.pdf

The Company is in compliance with Regulation 25(7) of the Listing Regulations.

None of the Non-Executive Directors holds any equity shares and convertible instruments as on 31 March 2021.

(f) Agenda for the meetings and information furnished to the Board

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual strategic plan and operating plans of our business to the Board for their review, inputs and approval.

Likewise, our quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. Besides, specific cases of acquisitions, important managerial decisions and statutory matters are presented to the respective Committees of the Board and later with the recommendation of Committees to the Board for their approval, as applicable.

Information to the Directors is submitted along with the agenda papers well in advance of the Board meeting by the Company Secretary. Detailed agenda is sent to each Director at least 7 days in advance of Board and Committee meetings. All material information is incorporated in the agenda along with supporting documents and relevant presentations. Where it is not practicable to attach a particular document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

The Company provides the information as set out in Regulation 17(7) read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. All information, except critical unpublished price sensitive information (which is circulated at a shorter notice than the period prescribed under Secretarial Standard on Meetings of the Board of Directors), is given to the Directors well in advance of the Board and the Committee meetings.

g) Code of Business Conduct & Ethics

The Company has adopted a Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all employees of the Company. The Board of Directors and the members of the Senior Management Team of the Company are required to affirm the Annual Compliance of this Code. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director and Group CEO of the Company to this effect is placed at the end of this report.

The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in a professional, courteous and respectful manner.

The Code is displayed on the Company's official website at https://www.quesscorp.com/investor/dist/images/pdf/Policies/Code_of_Business_Conduct_and_Ethics.pdf

h) Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions she/he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

The Members of the Management Committee have made disclosure to the Board of Directors relating to transactions with potential conflict of interest with the Company. There were no material, financial or commercial transaction, between the Company and Members of the Management Committee that may have a potential conflict with the interest of the Company at large.

i) Code of Conduct for Prevention of Insider Trading

The Company has adopted 'Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time.

The Code is applicable to Promoters, members of Promoters' Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer is responsible for monitoring adherence to the said PIT Regulations.

Further, the details of the trading by Designated Persons and their immediate relatives are placed before the Audit Committee on a quarterly basis.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") in compliance with the PIT Regulations. This Code is displayed on the Company's official website at https://www.quesscorp.com/investor/dist/images/pdf/Governance/Code-of-Conduct-InsiderTrading-Policy.pdf

III. Committees of the Board

The Board of Directors has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its charter and/or policy which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for their approval.

The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles. The Minutes of the meetings of all the Committees are placed before the Board for review. The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable.

With a view to have a more focused attention on business and for better governance and accountability, the Board has seven (7) committees, which comprises of five (5) statutory committees and other two (2) are non-statutory committees in line with the requirements of Act and Listing Regulations, details of which are as follows:

a.) Audit Committee;

b.) Nomination and Remuneration Committee;

c.) Stakeholders' Relationship Committee ("SRC");

d.) Corporate Social Responsibility Committee ("CSR");

e.) Risk Management Committee ("RMC");

f.) Share Transfer Committee; and

g.) Administration and Investment Committee.

The Composition of these committees as on 31 March 2021 is as follows –

Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Share Transfer Committee	Administration & Investment Committee
Mr. K. R. Girish (Chairperson)	Ms. Revathy Ashok (Chairperson)	Mr. Sanjay Anandaram (Chairperson)	Ms. Revathy Ashok (Chairperson)	Mr. Ajit Isaac (Chairperson)	Mr. Ajit Isaac (Chairperson)	Mr. Ajit Isaac (Chairperson)
Ms. Revathy Ashok	Mr. Sanjay Anandaram	Ms. Revathy Ashok	Mr. Gaurav Mathur	Mr. K. Suraj Moraje	Mr. K. Suraj Moraje	Mr. K. Suraj Moraje
Mr. Sanjay Anandaram	Mr. Chandran Ratnaswami	Mr. Ajit Isaac	Mr. Ajit Isaac	Mr. Subramanian Ramakrishnan	Mr. Kundan K Lal	-
Mr. Chandran Ratnaswami	Mr. Gopalakrishnan Soundarajan	-	-	Ms. Revathy Ashok	-	-
Mr. Gaurav Mathur	-	-	-	Mr. Sanjay Anandaram	-	-
Mr. Gopalakrishnan Soundarajan	-	-	-	Mr. Rajesh Kharidehal	-	-

All members of these Committees are financially literate and have management expertise.

A. Audit Committee

The Audit Committee of the Company functions in accordance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations. The Audit Committee was reconstituted by the approval of the Board in its meeting held on 31 August 2020.

Terms of reference of the Audit Committee –

The Audit Committee meets at frequent intervals and the terms of reference of the Audit Committee as required under Section 177 of the Act and Regulation 18 of the Listing Regulations, are as follows:

a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

c) Review and monitor the auditor's independence and performance and effectiveness of the audit process;

d) Approval of payments to statutory auditors for any other services rendered by statutory auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

i) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

ii) Changes, if any, in accounting policies and practices and reasons for the same;

iii) Major accounting entries involving estimates based on the exercise of judgment by management;

iv) Significant adjustments made in the financial statements arising out of audit findings;

v) Compliance with listing and other legal requirements relating to financial statements;

vi) Disclosure of any related party transactions; and

vii) Modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and/ or advances made by the Holding Company ("Quess") in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the Subsidiary, whichever is lower;

h) Scrutiny of inter-corporate investments;

i) Valuation of undertakings or assets of our Company, wherever it is necessary;

j) Evaluation of internal financial controls and risk management systems;

k) Approval or any subsequent modification of transactions of our Company with related parties;

l) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

m) Vigil mechanism/Whistle blower mechanism:

- Ensuring the establishment of vigil mechanism for its Directors and employees to report genuine concerns;
- Providing for adequate safeguards against mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
- Ensuring that the existence of vigil mechanism is appropriately communicated within the Company and also made available on Company's website;
- Overseeing the functioning of vigil mechanism and the Whistle blower mechanism and decide on the matters reported thereunder and
- Ensuring that the interests of a person who uses such a mechanism are not prejudicially.

n) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

o) Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

p) Discussion with internal auditors on any significant findings and follow up thereon;

q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) Approval of appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;

u) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee;

v) Reviewing the utilization of loans and/ or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date; and

w) Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Attendance details of the members of the Audit Committee are as follows –

Name of the Director	Category	Designation	Dates of Committee Meeting				
			27 May 2020	28 July 2020	30 October 2020	27 January 2021	01 March 2021
Mr. K. R. Girish[1]	Independent Director	Chairperson			✓	✓	✓
Ms. Revathy Ashok	Independent Director	Member	✓	✓	✓	✓	✓
Mr. Sanjay Anandaram	Independent Director	Member	✓	✓	✓	✓	✓
Mr. Chandran Ratnaswami	Non-Executive Director	Member	✓	✓	✓	✓	✓
Mr. Gaurav Mathur[1]	Independent Director	Member			✓	✓	✓
Mr. Gopalakrishnan Soundarajan[1]	Non-Executive Director	Member			✓	✓	✓
Mr. Pratip Chaudhuri[2]	Independent Director	Member	✓	✓			
Mr. Pravir Kumar Vohra[2]	Independent Director	Member	✓				

Notes:

The gap between two meetings did not exceed 120 days.

(1) Appointed as a Chairman of the Committee w.e.f. 31 August 2020.

(2) Ceased to be a member of the Committee w.e.f. 31 August 2020.

As required under Regulation 18 of the Listing Regulations, the Chairman of the Audit Committee is an Independent Director.

The Chairman and Managing Director, Executive Director and Group Chief Executive Officer, Chief Financial Officer, Chief Business Officer of the Company, who is responsible for the finance function, the Head of the Internal Audit and representatives of the Internal Auditors and the Statutory Auditors are regularly invited to attend meetings of the Audit Committee.

The Company Secretary and Compliance Officer of the Company is the Secretary to the Audit Committee.

As per Regulation 18(1) of the Listing Regulations, Section 177 of the Act and the Secretarial Standards, Mr. K. R. Girish, the Chairman of the Committee was present at the last AGM of the Company, held on 29 September 2020, to answer shareholder queries.

B. Nomination and Remuneration Committee

The NRC Committee of the Company functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

The NRC Committee was reconstituted by the approval of the Board in its meeting held on 17 August 2020.

Terms of Reference of the NRC Committee –

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of the performance of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal, and carrying out evaluations of every;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of fixed and variable components.

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same comes into force; or

(ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee; and

m) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Attendance details of the members of the NRC Committee are as follows –

Name of the Director	Category	Designation	Dates of Committee Meeting			
			27 May 2020	31 August 2020	27 January 2021	01 March 2021
Ms. Revathy Ashok[1]	Independent Director	Chairperson		✓	✓	✓
Mr. Sanjay Anandaram[1]	Independent Director	Member		✓	✓	✓
Mr. Chandran Ratnaswami	Non-Executive Director	Member	✓	✓	✓	✓
Mr. Gopalakrishnan Soundarajan[1]	Non-Executive Director	Member		✓	✓	✓
Mr. Pratip Chaudhuri[2]	Independent Director	Member	✓			
Mr. Pravir Kumar Vohra[2]	Independent Director	Member	✓			

Notes:

(1) Appointed as a member of the Committee w.e.f. 17 August 2020.

(2) Ceased to be a member of the Committee w.e.f. 17 August 2020.

The Company Secretary and Compliance Officer of the Company is the Secretary to the Nomination and Remuneration Committee.

Performance evaluation of Board, Committees and Directors –

Our Company understands the requirement of an effective Evaluation process and accordingly conducts the Performance Evaluation every year, through a structured evaluation process, in respect of the following:

i. Board of Directors as a whole.

ii. Committees of the Board of Directors.

iii. Individual Directors including the Chairman of the Board of Directors.

In compliance with the requirements of the provisions of Section 178 of the Act, the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI, your Company has carried out a Performance Evaluation process internally for the Board, Committees of the Board, Individual Directors including the Chairman of the Board of Directors for the financial year ended 31 March 2021. During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on 'Guidance Note on Board Evaluation'.

Board and Individual Directors

The parameters for performance evaluation of Board includes composition of Board, process for appointment to the Board, succession planning, handling critical and dissenting suggestions, attention to Company's long term strategy, evaluation of the governance levels of the Company, quality of discussions at the meeting, reviewing Management's Performance, working in the interests of all the stakeholders of the company, etc.

The parameters of the performance evaluation process for Directors, inter alia, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), maintaining confidentiality, openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion, maintaining relationships of mutual trust and respect with Board members, acting in good faith and in the interests of the company as a whole, etc. Independent Directors were evaluated by the entire Board with respect to fulfilment of independence criteria as specified in the Listing Regulations and Companies Act, 2013 and their Independence from the Management.

Additional criteria for evaluation of Chairman of the Board includes ability to co-ordinate Board discussions, effectiveness of leadership, impartiality, commitment, steering the meeting effectively, seeking views and dealing with dissent, etc.

Managing Director & CEO

The Nomination & Remuneration Committee evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives at the beginning of each financial year. The Committee ensures that his Key Performance Objectives are aligned with the immediate and long-term goals of the Company. The performance of Managing Director vis-à-vis the Performance Objectives/ Parameters set at the beginning of the financial year are also reviewed by the Committee during the year.

Committees of the Board

The performance evaluation of committee's included aspects like degree of fulfilment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of discussions at the Committee meetings, quality of deliberations at the meetings and information provided to the Committee's. The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward. Based on the outcome of the performance evaluation exercise, areas have been identified for the Board to engage itself with and the same would be acted upon.

The Directors carry out the aforesaid Performance Evaluation in a confidential manner and provide their feedback on a rating scale of 1 - 3. Duly completed formats were sent to the Chairman of the Board and the Chairman / Chairperson of the respective Committees of the Board for their consideration. The Chairperson(s) of the respective Committees based on feedback received from the Committee members on the outcome of performance evaluation exercise of the Committee, shares a report to the Board.

Succession Planning

The NRC reviews succession planning mechanism, which focuses on orderly succession for the Board members including CEO and one level below the Board and other key employees and updates the Board about the same on a periodical basis. The Board of Directors are satisfied that plans are in place for orderly succession for the appointment of Board members and other senior management.

Policy on Nomination, Removal, Remuneration and Board Diversity –

In compliance with the requirements of Section 178 of the Act, Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board of Directors of the Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel ("KMPs"), Senior Management Personnel (SMPs), Functional Heads and other employees of the Company. The Policy provides for criteria and qualifications for appointment of Directors, KMPs and SMPs, remuneration paid / payable to them, Board diversity, etc. The said policy has been uploaded on the official website of the Company at www.quesscorp.com and is available at the link https://www.quesscorp.com/investor/dist/images/pdf/Policies/Nomination-and-Remuneration-Policy.pdf. The policy forms a part of the Board's Report.

The Non-Executive, Independent Directors are paid sitting fees for attending the Meetings of the Board or Committees which is within the limits laid down by the Act read with relevant rules made thereunder. The Non-Executive Director/ Independent Directors do not have any material pecuniary relationship or transactions with the Company. During the year 2020-21, the Company paid sitting fees of ₹ 50,000 per Board Meeting and ₹ 25,000 for the Committee Meetings to Independent Directors for attending meetings of the Board and Committees.

Remuneration for the Chairman, Managing Director & Group CEO and other senior officials consists of fixed and variable components. The Executive Directors viz., Chairman & Managing Director and Executive Director & Group CEO are entitled to an annual variable pay each fiscal year.

The Commission payable to the Independent Directors is as decided by the Board and approved by the Shareholders, the sum of which does not exceed 1% of the net profits for the year, calculated as per the provisions of the Act.

The following are the details of the remuneration paid/payable to the Directors for the FY21:

(₹ in millions)

S. No.	Name of the Director	Sitting Fees	Salary and Perquisites	Contribution to Provident and Other Funds	Commission[1]	Total
1.	Mr. Ajit Isaac	-	13.59	0.72	NA	14.31
2.	Mr. K Suraj Moraje	-	18.10	0.96	NA	19.06
3.	Mr. Chandran Ratnaswami	-	-	-	-	-
4.	Mr. Gopalakrishnan Soundarajan	-	-	-	-	-
5.	Mr. K. R. Girish	0.23	-	-	-	0.23
6.	Mr. Gaurav Mathur	0.25	-	-	-	0.25
7.	Ms. Revathy Ashok	0.65	-	-	0.75	1.40
8.	Mr. Sanjay Anandaram	0.60	-	-	0.75	1.35
9.	Mr. Pratip Chaudhuri	0.28	-	-	0.75	1.03
10.	Mr. Pravir Kumar Vohra	0.28	-	-	0.75	1.03

Notes:

(1) Mr. Pravir Kumar Vohra and Pratip Chaudhuri ceased to be Independent Directors w.e.f. 29 September 2020 on expiry of their present term from the conclusion of the 13th AGM.

(2) Mr. Ajit's variable pay for the financial year 2019-20 and 2020-21 will be paid in the financial year 2021-22.

(3) Mr. K. Suraj Moraje variable pay for the financial year 2020-21 will be paid in the financial year 2021-22

(4) Commission to Independent Directors for the financial year 2020-21 will be paid during financial year 2021-22.

During the year under review, the Company has not advanced loans to any of its Directors.

C. Stakeholders' Relationship Committee

The SRC Committee of the Company functions in accordance with Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

The SRC Committee of the Board of Directors deals with stakeholder relations and share/debenture holders' grievances including matters related to non-receipt of the Annual Report, non-receipt of the declared dividend and other such issues as may be raised by them from time to time. It ensures that investor grievances/ complaints/ queries are redressed in a timely manner and to the satisfaction of the investors. The committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services.

Terms of Reference of the SRC Committee –

a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

b) Review of measures taken for the effective exercise of voting rights by shareholders;

c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Attendance details of the members of the SRC Committee are as follows –

Name of the Members	Category	Designation	Date of Committee meeting
			30 October 2020
Mr. Sanjay Anandaram	Independent Director	Chairperson	✓
Mr. Ajit Isaac	Executive Director	Member	✓
Ms. Revathy Ashok	Independent Director	Member	✓

Note:

The gap between the two meetings did not exceed 120 days.

Mr. Kundan K Lal, Company Secretary and Compliance Officer of the Company is the Secretary to the SRC Committee.

Investor grievances and queries –

The queries received and resolved to the satisfaction of the investors during the year are:

S. No.	Particulars	Pending as on 01.04.2020	Received during the year	Resolved during the year	Balance as on 31.03.2021
1.	SEBI SCORES Website	-	-	-	-
2.	Registrar of Companies	-	-	-	-
3.	Stock Exchange(s)	-	-	-	-
4.	Non-Receipt/ Revalidation of Dividend Warrants	-	-	-	-
5.	Miscellaneous	-	-	-	-
	Total	**-**	**-**	**-**	**-**

D. Corporate Social Responsibility Committee

The CSR Committee of the Company functions in accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereof. The CSR Committee was reconstituted by the approval of the Board in its meeting held on 31 August 2020.

The Board has adopted a CSR Policy, according to the recommendations of the CSR Committee. The policy was amended and approved by the Board of Directors on 27 May 2020. It formulates the guidelines for undertaking programs that ensure sustainable development of the community. It encompasses all CSR activities undertaken by the group and works towards the benefit of women, children and the society as a whole.

For further details, please refer our CSR page - https://www.quesscorp.com/csr/ and the policy can be accessed at the official website of the Company at - https://www.quesscorp.com/investor/dist/images/pdf/Policies/CSR-Policy.pdf

Terms of Reference of the CSR Committee –

a) Formulate and recommend to the Board a Corporate Social Responsibility Policy ("CSR Policy") and the activities to be undertaken by the Company as specified in Schedule VII of the Act;

b) Identifying the areas of CSR activities;

c) Recommending the amount of expenditure to be incurred on the identified CSR activities;

d) Implementing and monitoring the CSR Policy from time to time;

e) Coordinating with "Care Work Foundation" or other such agency in implementing programs and executing initiatives as per the CSR Policy of the Company;

f) Reporting progress of various initiatives and making appropriate disclosures on a periodic basis;

g) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy; and

h) Review Sustainability initiatives of the company and provide guidance on aspects of sustainability policies and programs including environmental sustainability, climate change, responsible sourcing, biodiversity, energy & water conservation;

i) Overseeing the Company's initiatives and reviewing the risk and opportunities related to Environment, Social and Governance ("ESG").

j) Review regularly and making recommendations about changes to the charter of the Committee; and

k) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Attendance details of the members of the CSR Committee are as follows –

Name of the Members	Category	Designation	Dates of Committee Meeting	
			27 May 2020	27 January 2021
Ms. Revathy Ashok	Independent Director	Chairperson	✓	✓
Mr. Ajit Isaac	Executive Director	Member	✓	✓
Mr. Gaurav Mathur(1)	Independent Director	Member		✓
Mr. Pravir Kumar Vohra(2)	Independent Director	Member	✓	

Notes:

(1) Appointed as a member of the Committee w.e.f. 31 August 2020.

(2) Ceased to be a member of the Committee w.e.f. 31 August 2020.

The Company Secretary and Compliance Officer is the Secretary to the CSR Committee.

E. Risk Management Committee

The Risk Management Committee of the Company functions in accordance with Regulation 21 of the Listing Regulations. The Committee meets at frequent intervals depending upon the requirements.

The primary responsibility of the Committee is to assist the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and the cyber security.

Terms of Reference of the Risk Management Committee:

a) The Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).

b) The Risk Management Committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

c) The Risk Management Committee shall make regular reports/ recommendations to the Board.

d) To formulate a detailed risk management policy which shall include :

   i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

   iii. Business continuity plan.

e) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

f) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

g) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

h) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

The said Policy has been uploaded on the official website of the Company at www.quesscorp.com and is available at the link https://www.quesscorp.com/investor/dist/images/pdf/Policies/Risk-Management-Policy.pdf

Attendance details of the members of the Risk Management Committee as on 31 March 2021 are as follows –

Name of the Members	Category	Designation	Dates of Committee Meeting
			27 May 2020
Mr. Ajit Isaac	Executive Director	Chairperson	✓
Mr. K. Suraj Moraje	Managing Director & Group CEO	Member	✓
Ms. Revathy Ashok	Independent Director	Member	✓
Mr. Sanjay Anandaram	Independent Director	Member	✓
Mr. Rajesh Kharidehal	Chief Business Officer	Member	✓
Mr. Subramanian Ramakrishnan	Chief Financial Officer	Member	✓

The Company Secretary and Compliance Officer is the Secretary to the Committee.

F. Share Transfer Committee

The Share Transfer Committee was constituted by the Board of Directors at its meeting held on 29 January 2020. The Committee generally meets in a regular interval to approve, inter alia, the requests for transfer and transmission of shares.

There is no pending transfer of shares as on 31 March 2021.

Terms of reference of the Share Transfer Committee –

a) Deletion of name of the deceased holder(s) of securities, where the securities are held in the name of two or more holders of securities;

b) Transmission of securities to the legal heir(s), where deceased holder of securities was the sole holder of securities;

c) Transposition of securities, when there is a change in the order of names in which physical securities are held jointly in the names of two or more holders of securities;

d) Transfer of securities, dematerialisation and re-materialisation of shares; and

e) Issue of duplicate or split share certificates.

The processing activities with respect to requests received for share transfers were generally completed within three to five working days.

Attendance details of the members of the Share Transfer Committee are as follows –

Name of the Members	Category	Designation	Dates of Committee Meeting					
			09 September 2020	13 October 2020	25 November 2020	30 November 2020	19 December 2020	15 January 2021
Mr. Ajit Isaac	Executive Director	Chairperson	✓	✓	✓	✓	✓	✓
Mr. K. Suraj Moraje	Managing Director & Group CEO	Member	✓	✓	✓	✓	✓	✓
Mr. Kundan K Lal	Vice President & Company Secretary	Member	✓	✓	✓	✓	✓	✓

Share Transfer System –

As on 31 March 2021, 99.72% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018, amended Regulation 40 of the Listing Regulations, pursuant to which after 5 December 2018 transfer of securities could not be processed unless the securities are held in the dematerialised form with a depository. Members holding shares in physical form are requested to dematerialise their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per the extension of the deadline announced by SEBI.

In view of the above and considering the benefits of holding shares in electronic form, the shareholders holding physical share certificates are requested to dematerialize their holding at the earliest.

IV. General Body Meetings (Annual General Meeting)

The details of AGM's convened during the last three (3) years are as follows:

Financial Year	Date	Time	Venue	Special resolutions
2019-20	29 September 2020	03:30 P.M.	AGM held through Video Conferencing/ Other Audio-Visual Means	1. Reappointment of Ms. Revathy Ashok (DIN: 00057539) as a Director of the Company. 2. Reappointment of Mr. Sanjay Anandaram (DIN: 00579785) as a Director of the Company. 3. Approval of Scheme of Amalgamation with its Wholly-Owned Subsidiaries.

Financial Year	Date	Time	Venue	Special resolutions
2018-19	24 July 2019	11:00 A.M.	Spring Hall, Hotel Royal Orchid, #1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru - 560008	1. Ratification of Quess Corp Limited Employees Stock Option Scheme 2015 and grant of stock options to the Eligible Employees under the Scheme. 2. Ratification for grant of stock options to the Employees of Subsidiaries Companies under Quess Corp Limited Employee Stock Option Scheme 2015.
2017-18	26 July 2018	11:30 A.M.	Spring Hall, Hotel Royal Orchid, #1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru - 560008	1. Revision in commission payable to Independent Directors. 2. Appointment of Mr. Subrata Kumar Nag (DIN: 02234000) as the Executive Director& Chief Executive Officer of the Company. 3. Re-appointment of Mr. Ajit Abraham Isaac (DIN: 00087168) as the Chairman & Managing Director of the Company. 4. Fixation of fees under Section 20 of the Companies Act, 2013.

None of the businesses proposed to be transacted at the ensuing AGM require passing an ordinary or special resolution through postal ballot.

V. Means of Communication with Shareholders

- **Financial Results:** Prior intimation of the Board Meeting to consider and approve Unaudited /Audited Financial Results of the Company is given to the Stock Exchanges and also disseminated on the official website of the Company at www.quesscorp.com . The aforesaid Financial Results are immediately intimated to the Stock Exchange(s) after the same is approved at the Board Meeting. The Annual Audited Financial Statements are sent to every member of the Company in the prescribed manner. In terms of Regulation 10 of the Listing Regulations, the Company complies with the online filing requirements on electronic platforms of BSE Limited (BSE), National Stock Exchange of India Limited (NSE) viz., BSE Listing Centre, NSE Electronic Application Processing System (NEAPS).

- **Newspapers:** The quarterly, half-yearly and annual Financial Results of the Company are published in widely circulated daily Newspapers, viz., "Financial Express" "Business Standard" (English) and in the "Hosa Digantha" (Kannada).

- **Website:** The website of the Company www.quesscorp.com contains a dedicated section "Investor Relations" which contains details / information of interest to various stakeholders, including Financial Results, Shareholding Pattern, Press Releases, Company Policies, etc. The Members/ Investors can view the details of electronic filings done by the Company on the respective websites of BSE and NSE i.e., www.bseindia.com and www.nseindia.com .

- **Press Releases:** Official Press Releases including Press Release on Financial Results of the Company are sent to the Stock Exchanges and the same are simultaneously hosted on the official website of the Company.

- **Presentations to institutional investors/ analysts:** All price sensitive information is promptly intimated to the Stock Exchanges before releasing to the media, other stakeholders and uploading on the Company's official website. During the year under review, the Company made a presentation to the investor on 28 May 2020, 29 July 2020, 02 November 2020 and 28 January 2021 through conference call. The details are also displayed on the Company's official website www.quesscorp.com .

- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company and online viewing by investors of actions taken on the complaint and its current status are updated/resolved electronically in the SEBI SCORES system.

- **Annual Report:** The Annual Report circulated to members and others entitled thereto in electronic as well as physical modes is disseminated to Stock Exchanges and is also uploaded on the Company's official website.

- **Credit Rating:** List of all Credit Ratings obtained by the entity along with revisions, if any, thereto during the relevant financial year: As on 23 March 2021, ICRA has re-affirmed the credit ratings. Hence, there is no change in the credit rating during the year under review.

VI. General Shareholder Information

i. **CIN Number:** L74140KA2007PLC043909

ii. **Registered and Corporate Office:** 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru 560103

iii. **Annual General Meeting for FY21 -**

Date: 21st September, 2021
Day: Tuesday
Time: 03:30 p.m.

Venue: The Company is conducting AGM through Video Conferencing/ Other Audio-Visual Means pursuant to the General Circular No. 02/2021 dated 13 January 2021 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India respectively and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

iv. **Financial Calendar -**

Financial year: 1 April to 31 March

v. **Dates of Book Closure -**

As mentioned in the Notice of this AGM.

vi. **Name and address of each Stock Exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s) -**

Equity shares of the Company are listed and traded on the following Stock Exchange(s):

Exchange	Address	Scrip Code
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	539978
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex Bandra (East), Mumbai – 400050	QUESS

The annual listing fees for FY21 to BSE and NSE have been paid to both the Exchanges. The annual custodial fees have been paid to NSDL and CDSL.

vii. **Stock Exchange codes -**

ISIN Number: INE615P01015

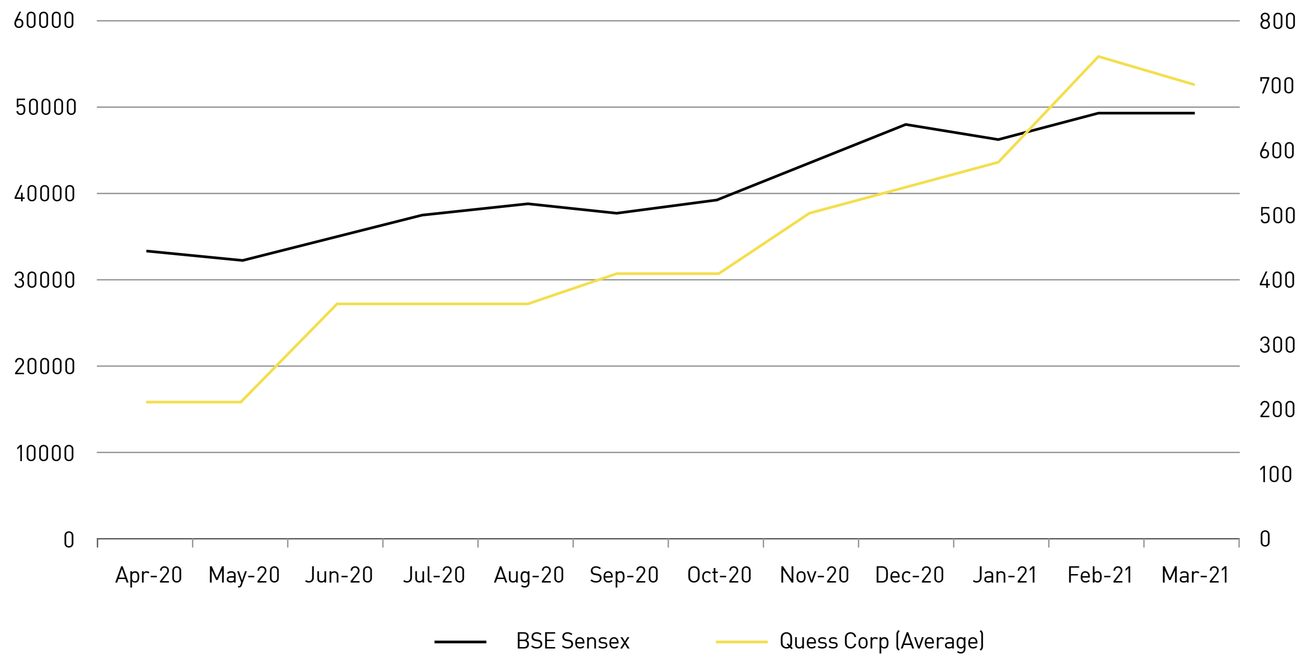
Name of the Stock Exchange(s)	Scrip Code
BSE Limited, Mumbai (BSE)	539978
The National Stock Exchange of India Limited, Mumbai (NSE)	QUESS

viii. **Stock Market Performance –**

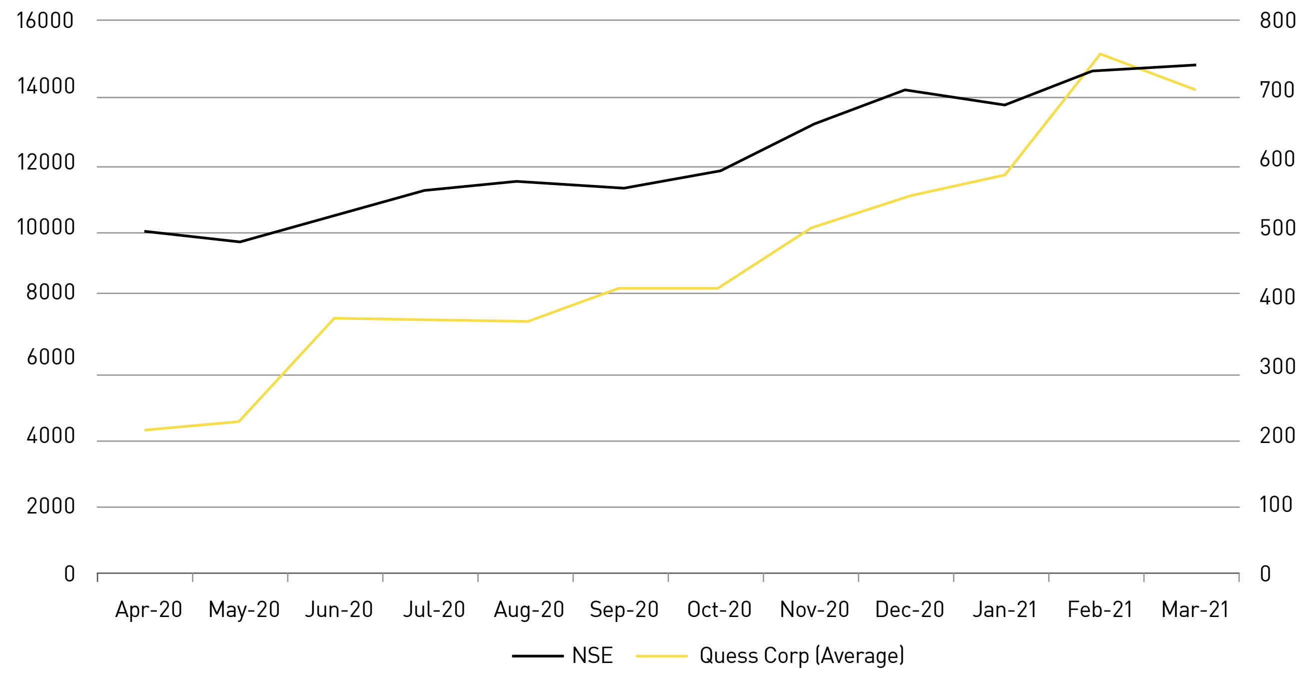
The monthly high and low quotations, as well as the volume of shares traded at the BSE and NSE for the current year are provided as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr 20	229.00	195.00	1,458,281	228.00	194.00	10,734,568
May 20	221.55	165.40	389,100	220.60	165.00	6,480,796
Jun 20	395.00	229.95	948,711	396.25	227.25	9,981,113
Jul 20	367.10	306.75	598,398	367.35	306.55	5,256,670
Aug 20	400.00	346.55	480,344	399.70	348.05	5,604,236
Sep 20	460.00	363.20	710,029	459.65	361.30	5,763,864
Oct 20	433.35	371.00	312,871	434.65	364.00	2,545,057
Nov 20	504.10	395.25	411,745	504.00	390.10	4,578,061
Dec 20	552.00	415.00	364,291	553.00	413.65	6,098,639
Jan 21	664.05	514.20	1,261,773	663.70	500.20	8,382,321
Feb 21	807.00	561.70	3,287,297	807.30	561.75	9,250,945
Mar 21	771.30	663.25	2,423,446	746.10	663.10	3,972,441

Performance on BSE versus BSE Sensex



Performance on NSE versus Nifty



*Based on closing price.

ix. Registrar & Share Transfer Agent -

The Company has appointed Link Intime India Private Limited as its Registrar and Transfer Agent (RTA). All share transfers and related operations are conducted by RTA, which is registered with the SEBI.

Contact	Email	Address
Mr. Ganapati Haligouda	rtn.helpdesk@linkintime.co.in	Link Intime India Private Limited 247 Park, C 101, 1st Floor, LBS Marg, Vikhroli(W), Mumbai – 400 083, Maharashtra, India Tel: +91 22 49186270 Fax: +91 22 49186060 www.linkintime.co.

x. Distribution of shareholding as on 31 March 2021 –

Particulars	Number of Shareholders	% of Total Shareholders	Share Amount (₹)	% of Total Share Amount
1 to 5000	71,949	95.26	4,34,57,240	2.94
5001 to 10000	1677	2.22	1,21,47,940	0.82
10001 to 20000	993	1.31	1,44,63,410	0.97
20001 to 30000	300	0.40	73,79,810	0.51
30001 to 40000	116	0.15	40,40,640	0.27
40001 to 50000	84	0.11	38,47,960	0.26
50001 to 100000	124	0.16	89,47,370	0.61
100001 to 99999999999	293	0.39	1,38,25,04,270	93.62
TOTAL :	**75,536**	**100.00**	**1,47,67,88,640**	**100.00**

xi. Dematerialization of Shares and liquidity -

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. As at 31 March 2021, 14,72,60,583 equity shares representing 99.72% of the total equity share capital of the Company were held in dematerialised form.

xii. Outstanding GDRs/ ADRs/ Warrants/ Options or any Convertible instruments, conversion date and likely impact on equity -

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on 31 March 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

xiii. Commodity price risk or foreign exchange risk and hedging activities -

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15 November 2018 is not required to be given. For details of foreign exchange risk and hedging activities, please refer to the Management's Discussion and Analysis.

xiv. Branch Offices -

The Company had 30 branches as on 31 March 2021 across India.

xv. Address for correspondence -

Shareholders/ Investors may write to the Company Secretary at the following address:

Matters	Contact	Email	Address
For Corporate Governance and Other Secretarial related matters	Mr. Kundan K Lal Vice President & Company Secretary	investor@quesscorp.com	The Company Secretary Quess Corp Limited Registered Office Address: 3/3/2, Bellandur Gate, Sarjapur Main Road Bengaluru – 560103 Phone No: 080-6105 6001 Fax No: 080-61056406 www.quesscorp.com

xvi. Reconciliation of the share capital audit –

In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, reconciliation of the Share Capital Audit is conducted every quarter by Mr. S.N. Mishra, Practicing Company Secretary to reconcile the total admitted capital with the National Securities Depository Limited (NSDL), the Central Depository Services (India) Limited (CDSL) and physically with the shareholders and the total issued and listed capital. The report is forwarded to the stock exchanges within the prescribed timeline, where the shares of the Company are listed.

xvii. Website disclosures -

Corporate Social Responsibility Policy	https://www.quesscorp.com/investor/dist/images/pdf/Policies/CSR-Policy.pdf
Risk Management Policy	https://www.quesscorp.com/investor/dist/images/pdf/Policies/Risk-Management-Policy.pdf
Vigil Mechanism	https://www.quesscorp.com/investor/dist/images/pdf/Governance/Whistle-BlowerPolicy.pdf
Code of Conduct	https://www.quesscorp.com/investor/dist/images/pdf/Policies/Code_of_Business_Conduct_and_Ethics.pdf
Nomination and Remuneration Policy	https://www.quesscorp.com/investor/dist/images/pdf/Policies/Nomination-and-Remuneration-Policy.pdf
Code of Conduct for Prevention of Insider Trading	https://www.quesscorp.com/investor/dist/images/pdf/Governance/Code-of-Conduct-InsiderTrading-Policy.pdf
Material Subsidiary Policy	https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-for-Material-Subsidiary.pdf
Policy on Related Party Transactions	https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-RPT.pdf
Policy on Determination of Materiality of Events and Information	https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-Materiality-of-events-information.pdf
Policy on Preservation of Documents	https://www.quesscorp.com/investor/dist/images/pdf/Policies/Policy_for_Preservation_of_Documents.pdf
Terms and Conditions of Appointment of Independent Directors	https://www.quesscorp.com/investor/dist/images/pdf/Policies/Letter-of-Appointment-for-Independent-Director-with-Terms-and-Conditions.pdf
Archival Policy	https://www.quesscorp.com/investor/dist/images/pdf/Policies/Archival_Policy.pdf
Details of its Business	https://www.quesscorp.com/about/company-profile/
Composition of Various Committees of the Board of Directors	https://www.quesscorp.com/corporate-governance/

VII. Other Disclosures

Materially significant related party transactions -

Omnibus and prior approval of the Audit Committee is obtained for all Related Party Transactions of the Company. During the financial year ended 31 March 2021, the Company did not have any 'material' related party transaction that may have potential conflict with the interests of the Company at large.

The Board of Directors of the Company has adopted a Related Party Transactions Policy pursuant to the requirements of Section 188 of the Act, and Rules framed thereunder and Regulation 23 of the Listing Regulations. The said Related Party Transactions Policy has been uploaded on the official website of the Company at www.quesscorp.com .

The Disclosure on Related Party Transactions forms an integral part of the Notes to Financial Statements of the Company for the financial year ended 31 March 2021 (both standalone and consolidated basis) as included in this Annual Report.

Details of non-compliance by the Company during the last three years -

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. No penalty has been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on such matters.

Whistle-Blower Mechanism -

The Company has adopted the Whistle-Blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. The Board of Directors has amended the existing Whistle Blower Policy and adopted the revised Whistle Blower Policy, effective from 29 January 2020. No person has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the official website of the Company https://www.quesscorp.com/investor/dist/images/pdf/Governance/Whistle-BlowerPolicy.pdf

Regulatory orders –

There are no regulatory orders apart from the details provided in the Board's report of this Annual report.

VIII. Subsidiary Companies

As on 31 March 2021, there are total 32 Subsidiary Companies comprising of 13 India Companies and 19 Foreign Companies. Out of 13 Indian Companies, 8 Companies are wholly–owned Subsidiaries and 4 Companies are subsidiaries and 1 Company is a step-down subsidiary. Out of 19 Foreign Companies, 5 Companies are wholly–owned subsidiaries and 14 Companies are step-down subsidiaries. There are 2 Indian and 3 Foreign Associate Companies.

Conneqt Business Solutions Limited is a material unlisted subsidiary within the meaning of Regulation 16(c) of the Listing Regulations.

The Audit Committee of the Company reviews the financial statements of these subsidiaries at periodic intervals. The Minutes of the Board Meetings of these subsidiaries are placed at the Board Meeting of the Company on a quarterly basis. All significant transactions and arrangements, if any, entered into by the subsidiaries are periodically reported to the Board of Directors.

In terms of Regulation 16 of the Listing Regulations, the Board of Directors formulated a policy for determining material subsidiaries and the policy is available on the official website of the Company at: https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-for-Material-Subsidiary.pdf

Web-link where Policy on dealing with Related Party Transactions -

The Policy on Related Party Transactions, as approved by the Board, is displayed on the official website of the Company at - http://quesscorp.com/investor/dist/images/pdf/Policies/Policy_on_Criterial_for_determining_RPT.pdf

Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations -

The Company has raised funds by way of preferential issue for an amount not exceeding ₹ 50,99,99,412/- for utilizing the same towards the business of Qdigi Services Limited, a subsidiary of the Company, as per the business plan agreed amongst the Company, the Subsidiary and Amazon.com NV Investment Holdings LLC, Foreign Portfolio Investor (Allottee). There has been no deviation in the use of funds raised.

IX. Certificate from a Company Secretary in Practice

A Certificate confirming that none of the Directors on the Board has neither been debarred nor disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate to this effect from Mr. S. N. Mishra Practicing Company Secretary, Bengaluru as mandated under Schedule V, Part C, Clause 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

X. Corporate Governance Compliance Certificate

A certificate from Mr. S. N. Mishra, Practicing Company Secretary, Bengaluru, confirming compliance to conditions of Corporate Governance, as stipulated under the Listing Regulations, forms part of the Annual Report.

XI. CEO / CFO Certificate

The Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification in terms of the Listing Regulations forms part of the Annual Report.

XII. Remuneration paid to Statutory Auditors

The total fees paid/payable by the Company to M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W - 100018), Statutory Auditors, towards the services provided by them, on a consolidated basis are as below:

	Particulars	FY21 (₹ in millions)
1.	Statutory audit fees	6.00
2.	Limited reviews	3.80
3.	Tax audit fees	0.30
4.	Other Certification fees	1.25
5.	Reimbursement of expenses	0.40
	Total	**11.75**

XIII. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

Since, your Company has declared dividend in the form of interim dividend for the first time in the financial year 2021-22, therefore the above provisions are Not Applicable as on date.

XIV. Prevention, Prohibition and Redressal of Sexual Harassment

The Company is committed to providing a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The number of complaints received during the FY21 along with their status of redressal as on FY ended 31 March 2021 are as under:

No. of complaints filed during the FY21	1
No. of complaints disposed of during the FY21	1
No. of complaints pending redressal as on 31 March 2021	0

XV. Details of Compliance with Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of Regulation 34 and Schedule V of the Listing Regulations. The Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations.

XVI. Adoption of Non-Mandatory Requirements

Part E of Schedule II of the Listing Regulations contains certain non-mandatory requirements that a company may implement at its discretion. The status of compliance of the non-mandatory requirements is as follows:

A. Chairman's Office

The Company has separate positions for Chairman and Managing Director and has provided a separate office within the Company premises for the Chairman.

B. Shareholders' Rights

The half-yearly declarations of financial performance together with the summary of significant events in the last six months are not individually provided to the shareholders. However, information on financial and business performance is provided in the 'Investors section' of the Company's official website, www.quesscorp.com, on a quarterly basis.

C. Modified opinion(s) in the Audit Report

The audited financial statements of the Company for the FY21 do not contain any qualifications and the Statutory Auditors Report/Secretarial Audit Report does not contain any adverse remarks. The Audit Reports are unmodified.

D. Reporting by the Internal Auditor

The Internal Auditor reports to the Audit Committee of the Board of Directors of the Company. The Audit Committee is empowered to hold separate meetings and discussions with the Internal Auditor.

Confirmation on the Code of Conduct

I, K. Suraj Moraje, Managing Director & Group Chief Executive Officer of the Company hereby declare that pursuant to Regulation 26(3), 34(3) read with Schedule V(D) of the SEBI Listing Regulations, all the members of the Board and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31 March 2021.

Sd/-
K. Suraj Moraje
Managing Director and Group CEO

Place: Bengaluru
Date: 3 June 2021

Certificate – Status of Directors

I, S.N. Mishra, proprietor of M/s SNM Associates, Bengaluru, Practicing Company Secretary, have examined all the relevant documents and records made available to us by Quess Corp Limited CIN: L74140KA2007PLC043909 for the period ended on 31 March 2021 and hereby certify as follows:

None of the Directors on the Board of Quess Corp Limited as on the date of this certificate have been debarred or disqualified from being appointed or continuing as directors of companies by the Security and Exchange Board of India or Ministry of Corporate Affairs or any other statutory authorities.

Sd/-
S.N. Mishra
Practicing Company Secretary
UDIN: F006143C000420106
C. P. No. : 4684
FCS No. : 6143

Place: Bengaluru
Date: 3 June 2021

CEO and CFO Certification

[As per the Regulation 17(8) and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Board of Directors
Quess Corp Limited
Bengaluru

We, K. Suraj Moraje, Managing Director & Group Chief Executive Officer and N. Ravi Vishwanath, Group Chief Financial Officer of Quess Corp Limited ("the Company"), to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and the cash flow statement for the fourth quarter and financial year ended 31 March 2021 and that to best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31 March 2021 which is fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

i. There have not been any significant changes in internal control over financial reporting during the quarter under reference;

ii. There has not been any significant changes in accounting policies during the year ended 31 March 2021 and that the same have been disclosed in the notes to the financial statements; and

iii. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Bengaluru
Date: 3 June 2021

Sd/-
K. Suraj Moraje
Managing Director & Group CEO

Sd/-
N. Ravi Vishwanath
Group Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Board of Directors
Quess Corp Limited
Bengaluru

We have examined all relevant records of M/s. Quess Corp Limited, for the purpose of certifying compliance of the conditions of Corporate Governance pursuance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the financial year ending 31 March 2021.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Regulation.

In our opinion from the examination of the records produced and to the best of our information and according to the explanations given to us, by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as on 31 March 2021.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Sd/-
S.N.Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143
UDIN : F006143C000419666

Place: Bengaluru
Date : 3 June 2021

Independent Auditor's Report

To The Members of **Quess Corp Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Quess Corp Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

- We draw attention to Note 39.5 of the standalone financial statements, regarding the demands received by the Company in respect of Provident Fund and the contingency related to the pending litigation on the said matter.

- We draw attention to Note 2.3, 4, 5, 6, 11, 14 and 15 of the standalone financial statements, which describes the effects of the continuing uncertainty arising from the outbreak of the COVID-19 pandemic on the standalone financial statements for the year ended March 31, 2021.

Our conclusion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition:** Revenue from contracts with customers for the year ended March 31, 2021 is INR 7,483 crores. The Company recognises revenue following five step framework in accordance with IND AS 115 "Revenue from customer contracts". A signed and enforceable contract with customer is a pre-requisite for revenue recognition in accordance with IND AS 115. Management evaluates the terms and conditions of the signed contracts prior to recognizing revenue. These contracts are often subject to modification in the form of amendments, change requests, or statements of work (contract modifications), which can occur frequently and may lead to change in timing and measurement of revenue recognition.	**Principal Audit Procedures:** Our audit approach was a combination of test of controls and substantive procedures which included amongst others the following: • Tested the effectiveness of controls relating to recording of revenues based on rates agreed as per signed contracts and confirmation from customers for efforts / resources deployed for a sample of invoices. • For a sample of contracts, tested revenue recognition by agreeing key terms used for recording revenue with terms in the signed contracts and confirmation received from customers for efforts incurred / resources deployed.

Sr. No.	Key Audit Matter	Auditor's Response
	Revenues from such contracts is recognised and measured based on (1) efforts incurred multiplied by agreed rate in the contract with customers and/ or (2) the number of resources deployed multiplied by agreed rate in the contract with customers Revenue is recognised as the related services are performed in accordance with contractual terms. The Company's invoicing cycle is on contractual pre-determined dates and recognized as receivables based on customer acceptances for delivery of work/ attendance of resources. Revenue for the post billing period is recognized as unbilled revenues. Unbilled revenues are invoiced subsequent to the year-end based on customer acceptances as described above. We considered recording of revenue from customer contracts as key audit matters as there is significant audit effort to ensure that revenue is recorded (1) at the correct time and (2) is based on agreed contractual terms. Refer Notes 2.11 and 27 to the standalone financial statements.	• For a sample, tested unbilled revenues with subsequent invoicing based on customer acceptances.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Message, Managing Director and Group CEO's Message, CFO's Message, Management discussion and analysis including Financial performance highlights (also, including segment wise performance), Board's Report including annexures to Board's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 21110815AAAACC3958)

Place: Bengaluru
Date: June 3, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Quess Corp Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 21110815AAAACC3958)

Place: Bengaluru
Date: June 3, 2021

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) Having regard to the nature of the Company's business, reporting under clause (vi) of CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed Provident Fund and Employees' State Insurance dues to the extent confirmed / reconciled from customers. Considering the inherent nature of its business of staffing services, the geographical spread of operations and frequent disruptions caused by the COVID-19 pandemic related lockdowns over the course of the year, there was a time lag between receipt of information from customers for payments / adjustments. The Company is in the process of reconciling an amount of approximately Rs. 16 crores, which is aged more than six months and which is not significant in the context of total amounts payable and paid by the Company. Management has informed us that the net payable amount will be deposited on completion of reconciliation. The Company has generally been regular in depositing other undisputed statutory dues, including Income Tax, Goods and Service Tax and other applicable material statutory dues with the appropriate authorities.

(b) There were no undisputed amounts payable at 31 March 2021, in respect of all applicable material statutory dues, which were in arrears for a period of more than six months from the date they became payable except Provident Fund and Employees' State Insurance dues as more fully described in VII (a) above.

(vii) (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Disputed Amount (Rs.)
Service Tax	Service Tax	Commissioner of Central Excise (Appeals)	Financial year 2013-14 and 2014-15	3,738,254
Service Tax	Service Tax	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	Financial years 2007-08 to 2016-17	154,016,345 (11,551,226)*
Service Tax	Service Tax	Commissioner of Central Excise (Appeals)	Financial years 2013-14 and 2014-15	3,908,949 (293,172)*
Karnataka Stamp Act, 1957	Stamp Duty	Chief Controlling Revenue Authority (office of Inspector General of Registration and controller of Stamps)	Financial year 2019-20	369,035,751 (31,333,985)*

*represents payments paid under protest

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and debenture holders. The Company did not have any outstanding loans or borrowings from government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 21110815AAAACC3958)

Place: Bengaluru
Date: June 3, 2021

Standalone Balance Sheet

as at 31 March 2021

(Amount in INR millions)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	275.16	411.98
Right-of-use assets	3 (b)	511.73	684.67
Goodwill	4	2,777.73	2,777.73
Other intangible assets	4	558.88	714.47
Intangible assets under development	4	70.17	2.42
Financial assets			
Investments	5	11,144.61	12,036.12
Loans	6	711.14	1,350.74
Other financial assets	7	115.18	87.70
Deferred tax assets (net)	8	757.63	1,384.78
Income tax assets (net)	8	1,911.92	2,898.45
Other non-current assets	9	74.83	65.05
Total non-current assets		**18,908.98**	**22,414.11**
Current assets			
Inventories	10	75.68	102.53
Financial assets			
Trade receivables	11	4,970.85	4,749.09
Cash and cash equivalents	12	1,021.44	3,902.90
Bank balances other than cash and cash equivalents above	13	597.75	363.39
Loans	14	89.81	427.43
Unbilled revenue	15	6,384.13	6,219.96
Other financial assets	16	115.54	130.43
Other current assets	17	466.96	479.24
Total current assets		**13,722.16**	**16,374.97**
Total Assets		**32,631.14**	**38,789.08**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,476.79	1,475.11
Other equity	19	20,768.11	21,709.68
Total equity		**22,244.90**	**23,184.79**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	20	415.77	543.60
Non-current provisions	21	1,477.00	1,125.48
Total non-current liabilities		**1,892.77**	**1,669.08**
Current liabilities			
Financial liabilities			
Borrowings	22	3,173.30	7,767.88
Lease liabilities	20	164.69	188.34
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	43	10.60	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	23	511.00	551.44
Other financial liabilities	24	2,551.98	3,308.22
Current provisions	25	29.01	22.14
Other current liabilities	26	2,052.89	2,097.19
Total current liabilities		**8,493.47**	**13,935.21**
Total Liabilities		**10,386.24**	**15,604.29**
Total Equity and Liabilities		**32,631.14**	**38,789.08**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Anand Subramanian
Partner
Membership No.: 110815

Place: Bengaluru
Date: 3 June 2021

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

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer & Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Standalone Statement of Profit and Loss

for the year ended 31 March 2021

(Amount in INR millions, except per share data)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	27	74,834.06	77,402.32
Other income	28	303.79	475.46
Total income		**75,137.85**	**77,877.78**
Expenses			
Cost of material and stores and spare parts consumed	29	712.91	1,309.54
Employee benefit expenses	30	68,187.62	67,914.63
Finance costs	31	634.63	967.99
Depreciation and amortisation expense	32	525.09	656.18
Other expenses	33	5,261.92	4,842.87
Total expenses		**75,322.17**	**75,691.21**
(Loss)/ profit before tax and exceptional items		**(184.32)**	**2,186.57**
Exceptional items	34	112.70	5,261.18
(Loss) before tax		**(297.02)**	**(3,074.61)**
Tax expense			
Current tax	8	-	-
Tax relating to earlier years	8	(53.82)	-
Deferred tax	8	(647.67)	(294.46)
Total tax expense		**(701.49)**	**(294.46)**
(Loss) for the year		**(998.51)**	**(3,369.07)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement losses on defined benefit plans	42	(81.62)	(68.42)
Income tax relating to items that will not be reclassified to profit or loss		20.54	17.20
Other comprehensive (loss) for the year, net of income tax		**(61.08)**	**(51.22)**
Total comprehensive (loss) for the year		**(1,059.59)**	**(3,420.29)**
Loss per equity share (face value of INR 10.00 each)			
Basic (in INR)	40	(6.76)	(22.94)
Diluted (in INR)	40	(6.67)	(22.89)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

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

Anand Subramanian
Partner
Membership No.: 110815

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer
& Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Place: Bengaluru
Date: 3 June 2021

Standalone Statement of Changes in Equity

for the year ended 31 March 2021

(A) Equity share capital

(Amount in INR millions)

Particulars	Note	31 March 2021	31 March 2020
Opening balance	18	1,475.11	1,460.85
Changes in equity share capital	18	1.68	14.26
Closing balance		**1,476.79**	**1,475.11**

(B) Other equity

(Amount in INR millions)

Particulars	Note	Reserves and surplus						Items of other comprehensive income	Total equity attributable to equity holders of the Company
		Capital reserve	Securities premium	Retained earnings	General reserve	Stock options outstanding account	Debenture redemption reserve	Re-measurement of the net defined benefit liability/asset	
Balance as at 1 April 2019		**1,006.44**	**16,851.09**	**6,613.51**	**21.56**	**116.21**	**168.75**	**(28.01)**	**24,749.55**
Total comprehensive income for the year ended 31 March 2020									
Loss for the year		-	-	(3,369.07)	-	-	-	-	(3,369.07)
Other comprehensive loss (net of tax)		-	-	-	-	-	-	(51.22)	(51.22)
Total comprehensive income		**-**	**-**	**(3,369.07)**	**-**	**-**	**-**	**(51.22)**	**(3,420.29)**
Transferred to debenture redemption reserve	19	-	-	(37.50)	-	-	37.50	-	-
Issue cost on merger	19.1 (ii)	-	(369.04)	-	-	-	-	-	(369.04)
Effect of TCIL merger accounted as "Common control"	19.1 (ii)	(7.80)	-	-	-	-	-	-	(7.80)
Impact of slump sale	50	242.64	-	(6.68)	-	-	-	0.07	236.03
Transfer on account of redemption of NCDs	19	-	-	103.12	-	-	(103.12)	-	-
Transactions with owners, recorded directly in equity									
Contributions by owners									
Share based payments	19	-	-	-	-	18.77	-	-	18.77
Preferential allotment of equity shares	19	-	502.46	-	-	-	-	-	502.46
Total contributions by owners		**-**	**502.46**	**-**	**-**	**18.77**	**-**	**-**	**521.23**
Balance as at 31 March 2020		**1,241.28**	**16,984.51**	**3,303.38**	**21.56**	**134.98**	**103.13**	**(79.16)**	**21,709.68**

Standalone Statement of Changes in Equity

for the year ended 31 March 2021

(B) Other equity (Contd..)

(Amount in INR millions)

Particulars	Note	Reserves and surplus						Items of other comprehensive income	Total equity attributable to equity holders of the Company
		Capital reserve	Securities premium	Retained earnings	General reserve	Stock options outstanding account	Debenture redemption reserve	Re-measurement of the net defined benefit liability/asset	
Balance as at 01 April 2020		**1,241.28**	**16,984.51**	**3,303.38**	**21.56**	**134.98**	**103.13**	**(79.16)**	**21,709.68**
Total comprehensive loss for the year ended 31 March 2021									
Loss for the year		-	-	(998.51)	-	-	-	-	(998.51)
Other comprehensive loss (net of tax)		-	-	-	-	-	-	(61.08)	(61.08)
Total comprehensive loss		**-**	**-**	**(998.51)**	**-**	**-**	**-**	**(61.08)**	**(1,059.59)**
Transfer on account of redemption of NCDs	19	-	-	103.13	-	-	(103.13)	-	-
Transactions with owners, recorded directly in equity									
Contributions by owners									
Share based payments	19	-	-	-	-	118.02	-	-	118.02
Total contributions by owners		**-**	**-**	**-**	**-**	**118.02**	**-**	**-**	**118.02**
Balance as at 31 March 2021		**1,241.28**	**16,984.51**	**2,408.00**	**21.56**	**253.00**	**-**	**(140.24)**	**20,768.11**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Anand Subramanian
Partner
Membership No.: 110815

Place: Bengaluru
Date: 3 June 2021

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

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer
& Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Standalone statement of cash flows

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Loss after tax	(998.51)	(3,369.07)
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Tax expense	701.49	294.46
Interest income on term deposits	(26.56)	(68.75)
Amortised cost adjustments for financial instruments	(21.92)	(31.46)
Loss on sale of property, plant and equipment, net	0.67	33.38
Interest income on debentures given to related parties	-	(65.75)
Net gain on sale of investments in mutual funds	-	(48.46)
Net fair value loss on mutual funds	-	44.58
Interest on loans given to related parties	(26.02)	(292.06)
Liabilities no longer required written back	(0.37)	(0.03)
Expense on employee stock option scheme	118.02	18.77
Finance costs	634.63	967.99
Depreciation and amortisation expense	525.09	656.18
Loss allowance on financial assets, net	1,947.06	55.98
Exceptional items (refer note 34)	112.70	5,261.18
Foreign exchange gain	(1.71)	-
Rent concession received	(31.77)	-
Deposits written off	0.20	-
Bad debts written off	86.22	-
Operating profit before working capital changes	**3,019.22**	**3,456.94**
Changes in operating assets and liabilities		
Changes in inventories	26.85	6.15
Changes in trade receivables and unbilled revenue	(1,674.42)	(1,175.72)
Changes in loans, other financial assets and other assets	20.42	(231.28)
Changes in trade payables	(29.47)	(30.02)
Changes in other financial liabilities, other liabilities and provisions	256.51	266.15
Cash generated from operations	**1,619.11**	**2,292.22**
Income taxes (paid)/ refund received, net	932.72	(892.20)
Net cash flows from operating activities (A)	**2,551.83**	**1,400.02**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(102.69)	(159.46)
Investment in subsidiaries and associates	(381.78)	(2,846.74)
Proceeds from slump sale (refer note 50)	-	168.00
Proceeds from sale of investment in subsidiaries	0.10	-
Proceeds from redemption of debentures	1,096.22	-
Proceeds from sale of mutual fund units	-	388.55
Bank deposits (having original maturity of more than three months), net	(337.39)	449.47
Loans given to related parties	(676.73)	(3,994.91)
Repayment of loans by related parties	1,078.13	2,589.02
Interest received on loans to related parties	21.49	76.26
Interest received on debentures	-	65.75
Interest received on term deposits	18.69	74.71
Net cash (used in)/ from investing activities (B)	**716.05**	**(3,189.35)**

Standalone statement of cash flows

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from financing activities		
Proceeds from current borrowings	36,149.70	39,620.73
Repayments of current borrowings	(40,744.28)	(35,916.66)
Redemption of non-convertible debentures (refer note 24)	(750.00)	(750.00)
Proceeds from issue of equity shares, net of issue expenses	-	477.98
Shares issued on exercise of employee stock options	1.68	5.39
Repayment of lease liabilities	(211.45)	(253.40)
Interest paid	(594.99)	(887.96)
Net cash (used in)/ from financing activities (C)	**(6,149.34)**	**2,296.08**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(2,881.46)	506.75
Cash and cash equivalents at the beginning of the year	3,902.90	3,396.15
Cash and cash equivalents at the end of the year	**1,021.44**	**3,902.90**

Components of cash and cash equivalents

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash and cash equivalents		
Cash on hand	3.18	3.95
Balances with banks		
In current accounts	1,013.92	3,898.95
In deposit accounts (with original maturity of less than 3 months)	4.34	-
Cash and cash equivalents as per standalone statement of cash flows	**1,021.44**	**3,902.90**

Reconciliation of movements of liabilities to cash flows arising from financing activities

(Amount in INR millions)

Particulars	Debentures	Vehicle loan	Current borrowings	Total
Debt as at 1 April 2020	**748.09**	**-**	**7,767.88**	**8,515.97**
Interest accrued but not due as at 1 April 2020	-	-	37.45	37.45
Cash flows	(750.00)	-	(4,594.58)	(5,344.58)
Other changes				
- Transaction costs for short-term borrowings	-	-	31.51	31.51
- Transaction costs paid	-	-	(31.51)	(31.51)
- Interest expense	53.78	-	488.01	541.79
- Interest paid	(51.87)	-	(511.61)	(563.48)
Interest accrued but not due as at 31 March 2021	-	-	(13.85)	(13.85)
Debt as at 31 March 2021	**-**	**-**	**3,173.30**	**3,173.30**

Standalone Statement of Cash Flows

(Amount in INR millions)

Particulars	Debentures	Vehicle loan	Current borrowings	Total
Debt as at 1 April 2019	**1,489.47**	**0.36**	**4,206.59**	**5,696.42**
Interest accrued but not due as at 1 April 2019	-	-	28.81	28.81
Cash flows	(750.00)	(0.36)	3,569.92	2,819.56
Other changes				
- Transaction costs for short-term borrowings	-	-	22.30	22.30
- Transaction costs paid	-	-	(22.30)	(22.30)
- Interest expense	121.20	0.01	753.08	874.29
- Interest paid	(112.58)	(0.01)	(753.07)	(865.66)
Interest accrued but not due as at 31 March 2020	-	-	(37.45)	(37.45)
Debt as at 31 March 2020	**748.09**	**-**	**7,767.88**	**8,515.97**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Anand Subramanian
Partner
Membership No.: 110815

Place: Bengaluru
Date: 3 June 2021

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

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer
& Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

1. Company overview

Quess Corp Limited ('the Company') is a public limited company incorporated and domiciled in India. The registered office of the Company is located in Bengaluru, Karnataka, India. The Company is engaged in the business of providing services in Workforce management, Operating asset management and Global Technology solution segment.

The shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

2. Basis of preparation

2.1 Statement of compliance

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Company's standalone financial statements are approved for issue by the Company's Board of Directors on 3 June 2021.

The standalone financial statements are presented in Indian Rupees ("INR") which is also the Company's functional currency and all amounts have been rounded off to the nearest millions.

2.2 Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments),

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO") and

iii. Expenses relating to share based payments are measured at fair value on the date of grant.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Operating cycle for the business activities of the Company covers the duration of the specific project or contract and extends up to the realisation of receivables within the agreed credit period normally applicable to the respective lines of business. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months except for Training and skill development business. For Training and skill development business the duration of operating cycle has been concluded as 15 - 18 months, depending on the projects, considering the time from mobilization of candidates till funds are released by relevant government authorities.

2.3 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected. The following are the significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements:

i) ***Income taxes:*** Significant judgments are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii) ***Measurement of defined benefit obligations:*** For defined benefit obligations, the cost of providing benefits is determined based on actuarial valuation. An actuarial valuation is based on significant assumptions which are reviewed on a periodic basis.

iii) ***Impairment of financial assets:*** The Company recognizes loss allowances using the Expected credit loss (ECL) model for the financial assets and unbilled revenues

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The loss rates for the trade receivables considers the credit risk of the customers and have been adjusted to reflect the Management's view of economic conditions over the expected collection period of the receivables.

iv) Property, plant and equipment and intangible assets: The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically. Ind AS 103 requires the identifiable intangible assets acquired in business combinations to be fair valued and significant estimates are required to be made in determining the value of intangible assets. These valuations are conducted by independent experts.

v) Other estimates: Non-financial assets are tested for impairment by determining the recoverable amount. Determination of recoverable amount is based on value in use, which is present value of future cash flows. The key inputs used in the present value calculations include the expected future growth in operating revenues and margins in the forecast period, long-term growth rates and discount rates.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company's business operations for the quarter and year ended 31 March 2021 continue to be affected by the COVID-19 pandemic. The duration of the pandemic and its consequential economic and financial impact continue to remain highly uncertain. As a result of these developments, the Company considered the possible effects that may result from the pandemic in preparation of the financial results including evaluating the recoverability of financial assets and non-financial assets particularly, trade receivables, unbilled revenues, goodwill, intangible assets, investments and loans granted to subsidiaries and associates.

The Company has exercised judgements and applied assumptions in relation to these assets and in developing the assumptions relating to the possible future uncertainties in the economic conditions arising from this pandemic. The Company, as on date of approval of these standalone audited financial results has used internal and external sources of information to the extent available, and based on current estimates expects the net carrying amount of these assets to be recovered. These assumptions are subject to change in future as events unfold within the uncertain environment (refer note 4, 5, 6, 11, 14 and 15).

2.4 Measurement of fair values

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the fair value measurements are observable and significance of the inputs to fair value measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

In determining the fair value of an asset or a liability, the Company uses different methods and assumptions based on observable market inputs. All methods of assessing fair value result in general approximation of value, and such value may not actually be realized.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.5 Business combinations

(i) Business combinations (common control business combinations):

Business combination involving entities that are controlled by the group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

- The identity of the reserve are preserved and the reserves of the transferor becomes the reserves of the transferee.

- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

(ii) Business combinations (other than common control business combinations):

In accordance with Ind AS 103, the Company accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill:

The excess of the cost of acquisition over the Company's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, it is considered as a bargain purchase gain. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase. Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

Other intangible assets:

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Brand, customer contracts and customer relationships acquired as part of business combinations are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

2.6 Property, plant and equipment

i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

The cost and related accumulated depreciation are derecognized from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the statement of profit and loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'.

ii) Depreciation:

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset category	Estimated useful life
Furniture and fixtures	5 years
Vehicles	3 years
Office equipment	5 years
Plant and machinery	3 - 8 years
Computer equipment	3 years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

If significant parts of an item of property, plant and equipment have different useful lives, then they are

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

accounted for as separate items (major components) of property, plant and equipment.

Leasehold improvements are depreciated over lease term or estimated useful life whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically, including at each financial year end.

2.7 Intangible assets

(i) Recognition and measurement

Internally generated: Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated software is recognised in the statement of profit and loss as and when incurred.

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life
Brand	15 years
Computer software	3 years
Copyright and trademarks	3 years
Customer contracts	3 years
Customer relationships	9 years

2.8 Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment more frequently.

2.9 Leases

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2020 is 9.50%,

2.10 Inventories

Inventories (raw materials and stores and spares) are valued at lower of cost and net realisable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

2.11 Revenue recognition

The Company derives revenue primarily from staffing services in the segments of Workforce management, Operating asset management and Tech services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over goods or service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered.

Revenue on time-and-material contracts are recognized as the related services are rendered and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).

a) Workforce management:

Revenue from staffing services i.e. salary and incidental expenses of temporary associates along with the service charges are recognised in accordance with the agreed terms as the related services are rendered.

Revenue from recruitment services are recognised when the candidate begins full time employment.

Revenue from executive research and trainings are recognised on rendering of the related services.

Revenue from training services are recognised over the period of training.

b) Operating asset management:

Revenue from facility management and food services are at a fixed rate and are recognized as per the terms of the arrangement with the customers. Where the performance obligations are satisfied over time and control is transferred over time, revenues are recognized over time as per the percentage-of-completion.

Revenue from operation and maintenance services are primarily on a fixed rate basis and are recognised as per the terms of the arrangement with the customers. Where the performance obligations are satisfied over time and control is transferred over time, revenues are recognized over time as per the percentage-of-completion. Certain arrangements are on time and material basis and revenues are recognised as the related services are rendered as per the terms of the arrangement with the customers.

Revenues are shown net of goods and services tax and applicable discounts and allowances. The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.

c) Tech services:

Revenue is recognised upon transfer of control of promised products or services to customers at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services over a period of time.

Other income

Other income comprises primarily interest income on deposits, dividend income and gain/ (loss) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.12 Investments in subsidiaries and associates

Investment in equity instruments issued by subsidiaries and associates are measured at cost less impairment. Dividend income from subsidiaries and associates is recognised when its right to receive the dividend is established. The acquired investment in subsidiaries and associates are measured at acquisition date fair value.

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the respective transactions. Foreign-currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and such translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

2.14 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are accounted for at trade date.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

b) Financial assets

(i) Classification and subsequent measurement

For the purpose of subsequent measurement, a financial asset is classified and measured at

- amortised cost;
- fair value through other comprehensive income (FVTOCI) - debt investment;
- fair value through other comprehensive income (FVTOCI) - equity investment; or
- fair value through profit and loss (FVTPL).

1. A financial asset is measured at amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

2. A debt investment is measured at FVTOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and

- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

3. On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the fair value in OCI (designated as FVTOCI-equity investment). This election is made on an investment-to-investment basis.

4. All financial assets not classified as amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Asset category	Estimated useful life
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at FVOCI recognised	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(ii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and unbilled revenues. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable and contract assets. Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers.

The provision matrix for non-government customers is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. The provision matrix for government customers is primarily based on the time based movement within the life cycle of customer receivable further adjusted for forward-looking estimates

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit and loss during the period.

(iii) Derecognition of financial assets

A financial asset is derecognised only when the Company:

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognised at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amortisation.

(iii) Derecognition

A financial liability is derecognised when the Company's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Employee benefits

a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short-term employee benefits are measured on an undiscounted basis as the related service is provided.

b) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

c) Defined contribution plan

Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The Company makes specified monthly contributions towards Employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The expenditure for defined contribution plan is recognized as expense during the period when the employee provides service.

d) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's gratuity fund is managed by Life Insurance Corporation of India (LIC). The present value of gratuity obligation under such defined benefit plan is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Actuarial gains or losses are recognised in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognised in the statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the statement of profit and loss in subsequent periods.

2.16 Share-based payments

Equity instruments granted to the employees of the Company are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity (stock options outstanding account). The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.17 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be used. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

2.18 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2.19 Contingent liability

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and in banks, demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash on hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.22 Earnings per share

Basic earnings per share is computed by dividing the net profit/(loss) attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.23 Segment reporting

In accordance with Ind AS 108, Operating segments, segment information has been disclosed in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statements.

2.24 Recent pronouncements

The Ministry of Corporate Affairs through a notification dated 24 March 2021 amended Schedule III to the Companies Act, 2013. These amendments are applicable from 1 April 2021 and enhances the disclosures required to be made by the Company in its financial statements. The Company is evaluating the effect of these amendments on its financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

3 (a) Property, plant and equipment

(Amount in INR millions)

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Lease hold improvements	Computer equipment	Total property, plant and equipment
Gross carrying amount as at 1 April 2019	**546.10**	**80.86**	**184.42**	**24.93**	**36.11**	**247.29**	**1,119.71**
Additions through business combination	-	0.79	0.09	-	-	0.83	1.71
Additions	29.86	24.52	41.16	0.09	16.36	67.20	179.19
Disposals	(124.81)	(0.09)	(1.14)	(3.73)	(0.11)	(2.78)	(132.66)
Balance as at 31 March 2020	**451.15**	**106.08**	**224.53**	**21.29**	**52.36**	**312.54**	**1,167.95**
Additions	25.91	1.40	8.03	-	0.65	5.33	41.32
Disposals	(30.09)	-	-	(12.68)	-	-	(42.78)
Balance as at 31 March 2021	**446.96**	**107.48**	**232.56**	**8.61**	**53.01**	**317.87**	**1,166.49**
Accumulated depreciation as at 1 April 2019	**274.46**	**38.99**	**89.05**	**18.62**	**26.93**	**157.07**	**605.12**
Depreciation for the year	66.61	16.65	36.80	5.30	7.60	56.11	189.07
Disposals	(32.62)	(0.01)	(0.61)	(3.73)	-	(1.25)	(38.22)
Balance as at 31 March 2020	**308.45**	**55.63**	**125.24**	**20.19**	**34.53**	**211.93**	**755.97**
Depreciation for the year	45.46	15.51	33.10	1.05	8.55	58.46	162.12
Disposals	(14.07)	-	-	(12.68)	-	-	(26.75)
Balance as at 31 March 2021	**339.84**	**71.14**	**158.34**	**8.56**	**43.08**	**270.39**	**891.34**
Net carrying amount							
As at 31 March 2021	**107.12**	**36.35**	**74.22**	**0.05**	**9.93**	**47.49**	**275.16**
As at 31 March 2020	**142.70**	**50.45**	**99.29**	**1.10**	**17.83**	**100.61**	**411.98**

No impairment loss has been recognised during the current year or previous year.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

3 (b) Right-of-use assets

Following are the changes in the carrying value of right-of-use assets for the year ended 31 March 2021:

(Amount in INR millions)

Particulars	Buildings*
Balance as at 1 April 2020	**684.67**
Additions	116.95
Disposals	(83.39)
Depreciation for the year	(206.50)
Balance as at 31 March 2021	**511.73**

Following are the changes in the carrying value of right-of-use assets for the year ended 31 March 2020:

(Amount in INR millions)

Particulars	Buildings*
Initial recognition pursuant to adoption of Ind AS 116	512.37
Additions	424.88
Disposals	(21.48)
Depreciation for the year	(231.10)
Balance as at 31 March 2020	**684.67**

*Building leases represent Right-of-use assets (refer note 20)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

4 Intangible assets and intangible assets under development

(Amount in INR millions)

Particulars	Goodwill	Other intangible assets						Intangible assets under development
		Computer software	Brand	Copyright and trademarks	Customer relationships	Customer contracts	Total other intangibles assets	
Gross carrying amount as at 1 April 2019	**5,565.56**	**294.85**	**894.60**	**0.48**	**1,030.00**	**23.54**	**2,243.47**	**53.12**
Additions	-	31.64	-	-	-	-	31.64	4.50
Disposals	-	(0.38)	-	-	-	-	(0.38)	(4.76)
Capitalised during the year	-	50.44	-	-	-	-	50.44	-
Transfers	-	-	-	-	-	-	-	(50.44)
Balance as at 31 March 2020	**5,565.56**	**376.55**	**894.60**	**0.48**	**1,030.00**	**23.54**	**2,325.17**	**2.42**
Additions	-	0.88	-	-	-	-	0.88	70.17
Disposals	-	-	-	-	-	-	-	(2.42)
Balance as at 31 March 2021	**5,565.56**	**377.43**	**894.60**	**0.48**	**1,030.00**	**23.54**	**2,326.05**	**70.17**
Accumulated amortisation and impairment as at 1 April 2019	**-**	**161.09**	**257.96**	**0.36**	**266.28**	**11.62**	**697.31**	**-**
Amortisation for the year	-	77.31	64.68	0.12	86.04	7.86	236.01	-
Disposals	-	(0.30)	-	-	-	-	(0.30)	-
Impairment (refer note 4.1)	2,787.83	-	-	-	677.68	-	677.68	-
Balance as at 31 March 2020	**2,787.83**	**238.10**	**322.64**	**0.48**	**1,030.00**	**19.48**	**1,610.70**	**-**
Amortisation for the year	-	87.88	64.52	-	-	4.06	156.46	-
Disposals	-	-	-	-	-	-	-	-
Accumulated amortisation and impairment as at 31 March 2021	**2,787.83**	**325.98**	**387.16**	**0.48**	**1,030.00**	**23.54**	**1,767.16**	**-**
Net carrying amount								
As at 31 March 2021	**2,777.73**	**51.44**	**507.44**	**-**	**-**	**-**	**558.88**	**70.17**
As at 31 March 2020	**2,777.73**	**138.45**	**571.96**	**-**	**-**	**4.06**	**714.47**	**2.42**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

4 Intangible assets and intangible assets under development

4.1 The Company tests investments, intangibles and goodwill for impairment annually on 31 December or based on an indicator. Impairment is determined by assessing the recoverable amount of Cash Generating Unit ("CGU") (or group of CGUs) to which the investment or goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. The recoverable amount is determined higher of value-in-use and fair value less cost of sale of CGU. Value-in-use is calculated using a discounted expected cash flow approach.

As at 31 March 2021, the Company had INR 2,777.73 million (31 March 2020: INR 2,777.73 million) of goodwill allocated to the Company's Integrated facility management (IFM) business.

During the year ended 31 March 2021, the Company has performed an impairment analysis at consolidated level (please refer consolidated financial statements for details) and no impairment has been recognised during the year.

During the year ended 31 March 2020, the Company impaired INR 2,787.83 million of goodwill and INR 677.68 million of intangible assets consequent to the impairment analysis performed after considering the impact of Corona virus (COVID-19) pandemic and uncertainties in future economic condition caused by the pandemic in the determination of recoverable amounts. The impairment was presented as an exceptional item in the statement of profit and loss.

The discount rate used in the discounted cash flow approach is the risk adjusted weighted average cost of capital applicable to respective CGUs. The cash flow projections used for assessing the 'Value-in-use' are based on the most recent long-term forecast approved by management. The long-term forecast includes management's latest estimate on Revenues and Operating cash flows. The period of projections is for five years and based on financial budgets/ forecasts which considers historical experience adjusted for uncertainties applicable for respective CGU's. The cash flows beyond the forecast period are extrapolated using appropriate long term terminal growth rates. The long term terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which the CGU operates and are consistent with internal/external sources of information.

Key judgments in determining the discounted cash flows included the anticipated reduction in revenues and EBITDA due to COVID-19 and the time to recovery post COVID-19. Specifically for the purpose of assessing the recoverable value of goodwill of INR 2,777.73 million, significant judgments were applied (adjusted for current business and market conditions) in certain cases while finalising assumptions on growth in revenues, EBITDA and discount rates. The Company continues to monitor future economic conditions for any significant changes to key assumptions. If the assumptions considered change in future, due to possible effect of uncertainties due to COVID-19, this could result in additional impairments the effects of which may not have been estimated as at the date of the approval of these standalone financial statements. Such changes, if any, will be prospectively recognised.

The growth in revenue and operating margins have been estimated based on historical trends and future market expectations specific to the CGU. The growth in revenue estimations used in the impairment testing for the year ended 31 March 2021 was in the range of 16.00% to 22.00% (31 March 2020: -10.00% to 15.00%). The operating margin estimations used in the impairment testing for the year ended 31 March 2021 was in the range of 7.22% to 9.18% (31 March 2020: 7.41% to 8.75%).

The range of other key assumptions used by the Company for impairment assessment are captured in the table below:

Integrated facility management (CGU)	As at 31 March 2021	As at 31 March 2020
Pre-tax discount rate	27.06%	29.15%
Terminal growth rate	4.00%	4.00%

Sensitivity to changes in assumptions:

The impairment assessment is sensitive to changes in discount rate for certain CGU's. Increase in discount rate by 100bps would not have resulted in any additional impairment for the current year (31 March 2020: INR 175.52 million).

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

5 Non-current investments

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
86,000 (31 March 2020: 86,000) fully paid up equity shares of par value of 100 pesos each of Quess (Philippines) Corp.	12.27	12.27
1,000,000 (31 March 2020: 1,000,000) fully paid up equity shares of par value of INR 10.00 each of MFX Infotech Private Limited*	11.05	11.05
7,000,100 (31 March 2020: 7,000,100) Common Shares of Brainhunter Systems Limited, fully paid up*	17.51	17.51
1 (31 March 2020: 1) Common Stock of Quess Corp (USA) Inc. of USD 100,000 each, fully paid-up (refer note 5.1)	361.07	6.25
45,269,608 (31 March 2020: 45,269,608) ordinary shares of Quesscorp Holdings Pte. Ltd of SGD 1.00 each, fully paid-up* (refer note 5.9)	2,278.01	2,287.36
Nil (31 March 2020: 10,000) fully paid up equity shares of par value of INR 10.00 each of Dependo Logistics Solutions Private Limited (refer note 5.2)	-	0.10
10,000 (31 March 2020: 10,000) fully paid up equity shares of par value of INR 10.00 each of Excelus Learning Solutions Private Limited*	1.85	1.85
168,377 (31 March 2020: 161,524) fully paid up equity shares of par value of INR 10.00 each of Vedang Cellular Services Private Limited* (refer note 5.3)	491.10	484.13
Less: Impairment loss allowance (refer note 5.17)	(297.41)	(297.41)
	193.69	**186.72**
104,624,705 (31 March 2020: 104,624,705) fully paid up equity shares of par value of INR 10.00 each of Conneqt Business Solutions Limited [formerly known as Tata Business Support Services Limited] (refer note 5.10)	3,453.28	3,453.28
1,000,000 (31 March 2020: 1,000,000) fully paid up equity shares of par value of INR 10.00 each of Golden Star Facilities and Services Private Limited* (refer note 5.12)	778.57	778.57
Less: Impairment loss allowance (refer note 5.17)	(385.71)	(385.71)
	392.86	**392.86**
49,998 (31 March 2020: 49,998) fully paid up equity shares of par value of INR 10.00 each of Monster.com (India) Private Limited	947.93	947.93
800,000 (31 March 2020: 800,000) fully paid up equity shares of par value of INR 10.00 each of Greenpiece landscapes India Private Limited* (refer note 5.13)	244.81	244.81
Less: Impairment loss allowance (refer note 5.17)	(244.81)	(244.81)
	-	**-**
5,349,644 (31 March 2020: 5,349,644) fully paid up equity shares of par value of INR 10.00 each of Qdigi Services Limited*	352.00	352.00
12,405 (31 March 2020: 12,405) fully paid up equity shares of par value of INR 10.00 each of Simpliance Technologies Private Limited	45.00	45.00
42,000 (31 March 2020: 42,000) fully paid up equity shares of par value of Taka 10.00 each of Quess Services Limited (refer note 5.14)	3.49	3.49
10,000 (31 March 2020: 10,000) fully paid up equity shares of par value of INR 10.00 each of Trimax Smart Infraprojects Private Limited (refer note 5.15)	130.05	130.05
Less: Impairment loss allowance (refer note 5.17)	(130.05)	(130.05)
	-	**-**
370,000 (31 March 2020: nil) fully paid up equity shares of par value of INR 10.00 each of Terrier Security Services (India) Private Limited* (refer note 5.4)	1,367.20	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

5 Non-current investments

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in MFXchange Holdings Inc.* (refer note 5.5)	16.82	22.76
Others		
Investment in Quess Corp Vietnam Limited Liability Company	13.06	13.06
Investment in equity instruments of associates		
Nil (31 March 2020: 245,000) fully paid up equity shares of par value of INR 10.00 each of Terrier Security Services (India) Private Limited* (refer note 5.4)	-	722.20
13,612 (31 March 2020: 13,612) fully paid up equity shares of par value of INR 10.00 each of Heptagon Technologies Private Limited	112.70	112.70
Less: Impairment loss allowance (refer note 5.11)	(112.70)	-
	-	**112.70**
1,035,000 (31 March 2020: 1,035,000) fully paid up equity shares of par value of INR 10.00 each of Quess East Bengal FC Private Limited (refer note 5.6)	100.35	100.35
Less: Impairment loss allowance (refer note 5.17)	(100.35)	(100.35)
	-	**-**
38,431 (31 March 2020: nil) fully paid up equity shares of par value of INR 10.00 each of Stellarslog Technovation Private Limited (refer note 5.7)	20.00	-
Investment in convertible debentures (refer note 5.8, 5.16 and 45)		
8,200,000 (31 March 2020: 14,700,000) fully paid up compulsorily convertible debentures of par value of INR 100 each of Conneqt Business Solutions Limited (refer note 5.10)	820.00	1,470.00
4,025 (31 March 2020: 4,025) fully paid up compulsorily convertible debentures of par value of INR 100,000 each of Excelus Learning Solutions Private Limited	402.50	402.50
Nil (31 March 2020: nil) fully paid up compulsorily convertible debentures of par value of INR 1,000 each of MFX Infotech Private Limited	-	120.61
Nil (31 March 2020: 72,230) fully paid up compulsorily convertible debentures of par value of INR 1,000 each of Golden Star Facilities and Services Private Limited	-	72.23
84,431 (31 March 2020: 84,431) fully paid up compulsorily convertible debentures of par value of INR 1,000 each of Greenpiece Landscapes India Private Limited	84.43	84.43
Less: Impairment loss allowance (refer note 5.17)	(84.43)	(84.43)
	-	**-**
3,104 (31 March 2020: 6,942) fully paid up compulsorily convertible debentures of par value of INR 10 each of Monster.com (India) Private Limited	107.24	239.85
Nil (31 March 2020: 1,103) fully paid up compulsorily convertible debentures of par value of INR 10 each of Dependo Logistics Solutions Private Limited (refer note 5.2)	-	120.78
129,000 (31 March 2020: nil) fully paid up compulsorily convertible debentures of par value of INR 10,000 each of Trimax Smart Infraprojects Private Limited	1,290.00	1,290.00
Less: Impairment loss allowance (refer note 5.17)	(962.23)	(268.24)
	327.77	**1,021.76**
Total non-current investments	**11,144.60**	**12,036.12**
Aggregate value of unquoted investments	13,462.29	13,547.12
Aggregate amount of impairment in value of investments	(2,317.69)	(1,511.00)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

5 Non-current investments (Contd..)

5.1 During the year ended 31 March 2021, the Company invested INR 354.82 million as additional investment in Quess Corp (USA) Inc.

5.2 During the year ended 31 March 2021, the Company sold investment in equity and convertible debentures of Dependo Logistics Services Private Limited for a consideration of INR 100.00 million.

5.3 During the year ended 31 March 2021, the Company acquired additional 3.76% in equity stake in Vedang Cellular Services Private Limited ("VCSP") at a consideration of INR 6.97 million (31 March 2020: 18.71% for INR 84.38 million), pursuant to the clauses relating to NCI-Put option of the original Share purchase agreement dated 25 October 2017 among Quess Corp Limited, Vedang Radio Technology Private Limited, VCSP and Ashish Kapoor. As of 31 March 2021, the Company holds 92.47% equity stake (31 March 2020: 88.71%) in VCSP.

5.4 During the year ended 31 March 2021, the Company acquired additional 25.00% equity stake in Terrier Security Services (India) Private Limited ("TSSIPL") at a consideration of INR 645.00 million. Consequent to the additional 25.00% acquisition, the total shareholding in TSSIPL has increased from 49.00% to 74.00% and TSSIPL has become subsidiary of the Company. The additional purchase consideration of INR 645.00 million was settled by adjusting loans which was outstanding to be received from Heptagon Technologies Private Limited ("HTPL").

5.5 During the year ended 31 March 2021, decrease in investment in MFXchange Holdings Inc. is due to utilisation of investment accounted at the time of giving corporate guarantee to the subsidiary in accordance with Ind AS 109, since guarantee commission income was charged to the subsidiary amounting to INR 5.94 million.

5.6 During the year ended 31 March 2021, the Company entered into a Termination agreement ("Agreement") with Quess East Bengal FC Private Limited ("QEBFC") and the East Bengal Club ("Club") for terminating the shareholders agreement ("SHA") dated 5 July 2018 among the Company, QEBFC and the Club on mutual consent. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and the Company has acquired the balance 30.00% equity stake in QEBFC for a nominal value of INR 1,000. On 28 July 2020 the Board of Directors had approved the proposal for voluntary liquidation of QEBFC and subsequently, the Shareholders of QEBFC had approved the Voluntary Liquidation pursuant to Section 59 of the Insolvency and Bankruptcy Code, 2016 and appointed a Liquidator on 2 September 2020 for carrying out the Voluntary Liquidation process. The effective date of commencement of liquidation is 2 September 2020.

5.7 During the year ended 31 March 2021, the Company entered into Shareholder's Agreement ("SHA") and Share Subscription Agreement ("SSA") with Stellarslog Technovation Private Limited ("STPL") and its shareholders to acquire 49% equity stake in STPL for a consideration of INR 100 million. On 29 January 2021, the Company acquired 16.21% equity stake in STPL for a consideration of INR 20.00 million.

5.8 During the year ended 31 March 2021, the Company converted Compulsorily Convertible Debentures ("CCDs") issued by certain subsidiaries into Convertible Debentures ("CDs") amounting to INR 2,023.47 million after due approval from the Board of Directors of the Company. Consequent to the approval, CD's amounting to INR 1,096.22 million was redeemed during the year ended 31 March 2021.

5.9 During the year ended 31 March 2020, the Company invested INR 205.94 million as additional investment in Quesscorp Holdings Pte. Ltd. During the year ended 31 March 2021, decrease in investment is due to utilisation of investment accounted at the time of giving corporate guarantee to the subsidiary in accordance with Ind AS 109, since guarantee commission income was charged to the subsidiary amounting to INR 9.35 million.

5.10 During the year ended 31 March 2020, the Company invested INR 1,931.07 million thereby increasing the total shareholding of the Company in CBSL from 51.00% to 70.00% and invested INR 780.00 million in Compulsorily Convertible Debentures ("CCDs") of CBSL. The Company also invested a further amount of INR 1,270.87 million as Intercorporate Deposits ("ICDs"). The amount given as ICDs, to the extent of INR 587.64 million utilised for open offer with respect to the acquisition of Allsec Technologies Limited was converted into CCDs and the balance was repaid back to the Company.

5.11 During the year ended 31 March 2021, the Company reassessed the recoverable value of investment made in Heptagon Technologies Private Limited ("HTPL"), an associate company and recognised an impairment of INR 112.70 million.

5.12 During the year ended 31 March 2020, the Company acquired balance 30.00% equity stake in Golden Star Facilities and Services Private Limited ("GSFS") at a consideration of INR 400.00 million, pursuant to the clauses relating to NCI-Put option of the Share holders agreement dated 18 July 2017 among Quess Corp Limited, Manipal Integrated Services Private Limited, GSFS and Anita Verghese. Consequently GSFS has become 100.00% subsidiary of the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

5 Non-current investments (Contd..)

5.13 During the year ended 31 March 2020, the Company acquired remaining 10.00% equity stake in Greenpiece Landscapes India Private Limited ("GLIPL") at a consideration of INR 28.00 million and GLIPL has become 100.00% subsidiary of the Company.

5.14 During the year ended 31 March 2020, the Company invested INR 3.49 million in Quess Services Limited.

5.15 During the year ended 31 March 2020, the Company acquired balance 49.00% equity stake in TSIPL at a consideration of INR 130.00 million and TSIPL has become 100.00% subsidiary of the Company.

5.16 During the year ended 31 March 2020, the Company converted certain loans, interest receivable and other dues from subsidiaries into Compulsorily Convertible Debentures ("CCDs"), amounting to INR 3,800.40 million after due approval from the Board of Directors of the Company. The CCDs have a term of 10 years and are compulsory convertible at a fixed conversion rate contractually agreed on issue of CCDs into equity shares of the subsidiaries. The CCDs carry a coupon rate of 10.00 % p.a. on the face value of the CCDs and are payable subject to prior approval of the Board of Directors of the subsidiaries. Considering the above features, the Company recognised and presented the CCDs as Non-current Investments based on the guidance in Ind AS 109, Financial instruments.

5.17 For the purpose of assessing the recoverable value of investments in subsidiary and associate companies of INR 11,144.61 million, significant judgments were applied (adjusted for current business and market conditions) in certain cases while finalising assumptions on growth in revenues, EBITDA and discount rates. Consequently, the Company recognised an impairment provision of INR 693.99 million in statement of profit and loss for the year ended 31 March 2021 (31 March 2020: INR 1,511.00 million shown as exceptional items in the statement of profit and loss).

*Investments includes interest on corporate guarantee given to subsidiaries amounting to INR 90.81 million (31 March 2020: INR 106.09 million).

6 Non-current loans

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans receivable considered good - unsecured		
Security deposits*	393.04	379.13
Loans to subsidiaries (refer note 41 and 46)	373.12	126.08
Less: Impairment loss allowance (refer note 6.1, 6.2 and 34)	(320.20)	(41.81)
	52.92	84.27
Loans to associates (refer note 41 and 46)	265.18	1,130.19
Less: Impairment loss allowance (refer note 34)	-	(242.86)
	265.18	887.34
	711.14	**1,350.74**

*Security deposits include deposits given for premises taken under leases, electricity and water connections.

6.1 During the year ended 31 March 2021, the Company terminated the joint arrangements with Quess East Bengal FC Private Limited ("QEBFC") and the East Bengal Club ("Club") after considering its long term economic viability. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and the Company has acquired the balance 30.00% equity stake in QEBFC for a nominal value of INR 1,000. Consequently, QEBFC has become a wholly owned subsidiary of the Company. The Company reassessed the recoverable value of the loans given and investments made in this associate and recognised an impairment charge of INR 35.53 million on loan given in the statement of profit and loss (31 March 2020: INR 242.86 million on loan given and INR 100.35 million on investments made, disclosed as an exceptional item in the statement of profit and loss).

6.2 For the purpose of assessing the recoverable value of loans granted to subsidiary and associate companies of INR 285.18 million, significant judgments were applied (adjusted for current business and market conditions) in certain cases while finalising assumptions on growth in revenues, EBITDA and discount rates. During the year ended 31 March 2020, the Company recognised an impairment charge of INR 41.81 million towards loans given to Greenpiece Landscapes India Private Limited in statement of profit and loss and disclosed this as an exceptional item in the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

7 Other non-current financial assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits (due to mature after 12 months from the reporting date)*	103.03	-
Interest receivable from related parties (refer note 41)	4.45	87.70
Due from related parties (refer note 41 and 46)	7.70	-
	115.18	**87.70**

*Fixed deposits to the tune of INR 103.03 million (31 March 2020: nil) are lien marked.

8 Taxes

A Amount recognised in profit or loss

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current year	-	-
Related to prior years	(53.82)	-
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(647.67)	(294.46)
Income tax expense reported in the standalone statement of profit and loss	**(701.49)**	**(294.46)**

B Income tax recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Re-measurement of the net defined benefit liability/ asset:		
Before tax	(81.62)	(68.42)
Tax expense	20.54	17.20
Net of tax	**(61.08)**	**(51.22)**

C Amounts recognised directly in equity

No tax expense has been recognised directly in equity.

D Reconciliation of effective tax rate

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss before tax	(297.02)	(3,074.61)
Tax using the Company's domestic tax rate of 25.168%	74.75	773.82
Effect of:		
Exceptional items (impairment of goodwill, intangible assets, investments and loans given to related party; refer note 34)	(28.36)	(1,324.13)
Loss allowance on financial assets (impairment of investment in convertible debentures)	(174.66)	-
Non-deductible expenses	(5.31)	(5.04)
80JJAA tax incentives	11.02	740.60
Deferred tax recognised on goodwill*	(519.61)	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

8 Taxes (Contd..)

D Reconciliation of effective tax rate (Contd..)

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Adoption of new tax regime under section 115BAA on deferred tax including reversal of MAT credit entitlement**	-	(1,344.78)
Deferred tax reversal on goodwill and intangibles***	-	872.20
Income taxes related to prior years	(53.82)	-
Others	(5.49)	(7.13)
Income tax expense reported in the standalone statement of profit and loss	**(701.49)**	**(294.46)**

*The Finance Act, 2021 has introduced an amendment to section 32 of the Income Tax Act, 1961, whereby goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective 01 April 2020. Consequently, the Company recorded a deferred tax expense of INR 519.61 million being the difference between the book base and tax base of goodwill on 31 March 2021. The deferred tax mainly relates to goodwill arising out of the acquisition of Manipal business in 2016.

**During the year ended 31 March 2020, the Company has decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY 2020. Accordingly, the Company has written off through the statement of profit and loss, accumulated MAT credit of INR 1,239.45 million and re-measured other accumulated net deferred tax assets based on the rate prescribed under Section 115BAA resulting in additional expense of INR 105.33 million.

***An amount of INR 872.20 million being reversal of deferred tax liability in relation to goodwill and intangibles impairment has been adjusted to statement of profit and loss through tax expenses (refer note 4.1).

E The following table provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	4,831.79	5,569.90
Income tax liabilities	(2,919.87)	(2,671.45)
Net income tax assets as at the end of the year	**1,911.92**	**2,898.45**

F Deferred tax assets (net)

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets/(liabilities) are attributable to the following:		
Loss allowance on financial assets	221.51	96.63
Provision for employee benefits	361.12	260.65
Provision for disputed claims	34.21	44.48
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	682.87	1,027.71
Property, plant and equipment and intangible assets	0.11	(18.37)
Goodwill on merger	(699.10)	(179.49)
Customer relationships	71.77	95.69
Others	85.14	57.48
Net deferred tax assets	**757.63**	**1,384.78**

The movement of deferred tax aggregating to INR 627.13 million for the year ended 31 March 2021 (31 March 2020: INR 277.25 million) comprises INR 647.69 million (31 March 2020: INR 294.45 million) charged to standalone statement of profit and loss and INR 20.54 million (31 March 2020: INR 17.20 million) credited to other comprehensive income.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

8 Taxes (Contd..)

G Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet:

(Amount in INR millions)

For the year ended 31 March 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability on:				
Property, plant and equipment and intangible assets	(18.37)	18.48	-	0.11
Goodwill on merger	(179.49)	(519.61)	-	(699.10)
Deferred tax liabilities	**(197.86)**	**(501.13)**	**-**	**(698.99)**
Deferred tax assets on:				
Loss allowance on financial assets	96.63	124.88	-	221.51
Provision for employee benefits	260.65	79.93	20.54	361.12
Provision for disputed claims	44.48	(10.27)	-	34.21
Customer relationships	95.69	(23.92)	-	71.77
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	1,027.71	(344.84)	-	682.87
Others	57.48	27.66	-	85.14
Deferred tax assets	**1,582.64**	**(146.56)**	**20.54**	**1,456.62**
Net deferred tax assets	**1,384.78**	**(647.69)**	**20.54**	**757.63**

(Amount in INR millions)

For the year ended 31 March 2020	Opening balance	Recognised in profit or loss*	Recognised in OCI	Closing balance
Deferred tax liability on:				
Property, plant and equipment and intangible assets	(80.98)	62.61	-	(18.37)
Goodwill on merger	(981.33)	801.84	-	(179.49)
Customer relationships	(92.27)	187.96	-	95.69
Deferred tax liabilities	**(1,154.58)**	**1,052.41**	**-**	**(102.17)**
Deferred tax assets on:				
Loss allowance on financial assets	132.14	(35.51)	-	96.63
Provision for employee benefits	243.20	0.25	17.20	260.65
Provision for disputed claims	20.53	23.95	-	44.48
Provision for rent escalation	2.08	(2.08)	-	-
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	1,080.46	(52.75)	-	1,027.71
MAT credit entitlement	1,239.45	(1,239.45)	-	-
Others	98.75	(41.27)	-	57.48
Deferred tax assets	**2,816.61**	**(1,346.86)**	**17.20**	**1,486.95**
Net deferred tax assets	**1,662.03**	**(294.45)**	**17.20**	**1,384.78**

*includes deferred tax related to earlier periods which is accounted under tax relating to prior years in the standalone statement of profit and loss.

The Company does not have any unrecognised deferred tax assets on carried forward tax losses.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

9 Other non-current assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances*	16.19	4.45
Advances other than capital advances		
Taxes paid under protest (refer note 39)	14.95	29.71
Provident fund payments made under protest (refer note 39)	10.72	10.72
Prepaid expenses	32.97	20.17
	74.83	**65.05**

*includes capital advance to related parties INR 15.00 million (31 March 2020: nil) (refer note 41).

10 Inventories

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Valued at lower of cost and net realizable value		
Raw material and consumables	34.83	63.45
Stores and spares	40.85	39.08
	75.68	**102.53**

11 Trade receivables

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	5,500.13	5,133.03
	5,500.13	**5,133.03**
Less: Allowance for expected credit losses (refer note 11.1)	(529.28)	(383.94)
	(529.28)	**(383.94)**
Net trade receivables	**4,970.85**	**4,749.09**

Of the above, trade receivables from related party are as below:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables from related parties	236.27	457.11
Less: Allowance for expected credit losses	(156.37)	(119.21)
Net trade receivables	**79.90**	**337.90**

11.1 During the year ended 31 March 2021, the Company has recorded a provision of INR 137.53 million in relation to trade receivables arising from certain contracts with government customers. The collection of these trade receivables is delayed due to the protracted lockdowns arising from the pandemic situation which has also resulted in delays in completion of future milestones relating to such contracts. Further, there exists considerable uncertainty around the timelines for completion of such contracts and possibility of modification of terms, given the underlying delays. As a matter of abundant caution, the Company has made provisions, while simultaneously pursuing its efforts for the completion of such contracts and the ultimate collection of such receivables.

For terms and conditions of trade receivables owing from related parties refer note 41.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 36.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

12 Cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	3.18	3.95
Balances with banks		
In current accounts	1,013.92	3,898.95
In deposit accounts (with original maturity of less than 3 months)	4.34	-
Cash and cash equivalents as per standalone balance sheet	**1,021.44**	**3,902.90**

13 Bank balances other than cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (maturity within 12 months from the reporting date)*	597.75	363.39
	597.75	**363.39**

*Fixed deposits are lien marked.

14 Current loans

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans receivable considered good - unsecured		
Security deposits*	64.28	62.43
Other loans and advances		
Loans to employees**	8.63	22.84
Loans to subsidiaries (refer note 6.2, 41 and 46)	16.90	-
Loans to associates (refer note 41 and 46)	-	342.16
	89.81	**427.43**

*Security deposits include deposits given for premises taken under leases, electricity and water connections.

**There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

15 Unbilled revenue

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue*	6,734.97	6,227.96
Less: Allowance for expected credit losses (refer note 15.1)	(350.84)	(8.00)
	6,384.13	**6,219.96**

15.1 During the year ended 31 March 2021, the Company has recorded a provision of INR 342.84 million in relation to unbilled revenues arising from certain contracts with government customers. The billings of these unbilled revenues is delayed due to the protracted lockdowns arising from the pandemic situation which has also resulted in delays in completion of future milestones relating to such contracts. Further, there exists considerable uncertainty around the timelines for completion of such contracts and possibility of modification of terms, given the underlying delays. As a matter of abundant caution, the Company has made provisions, while simultaneously pursuing its efforts for the completion of such contracts and the ultimate collection of such unbilled revenue.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

16 Other current financial assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due	9.29	1.42
Interest receivable from related parties (refer note 41)	0.17	42.96
Due from related parties (refer note 41 and 46)	106.08	86.05
	115.54	**130.43**

17 Other current assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Advances to suppliers*	87.67	134.33
Travel advances to employees	3.33	6.83
Other advances	31.02	76.34
Prepaid expenses	344.94	250.19
Balances with government authorities (refer note 21.1(iii))	-	11.55
	466.96	**479.24**

**includes advance to supplier to related parties INR 7.28 million (31 March 2020: nil) (refer note 41).*

18 Equity share capital

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
200,000,000 (31 March 2020: 200,000,000) equity shares of par value of INR 10.00 each	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and paid-up		
147,678,864 (31 March 2020: 147,510,694) equity shares of par value of INR 10.00 each, fully paid up	1,476.79	1,475.11
	1,476.79	**1,475.11**

18.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in INR millions	Number of shares	Amount in INR millions
Equity shares				
At the commencement of the year	14,75,10,694	1,475.11	14,60,84,833	1,460.85
Add: Shares issued on exercise of employee stock options (refer note 44)	1,68,170	1.68	5,38,680	5.39
Add: Shares issued on preferential allotment basis [refer note (i)]	-	-	7,54,437	7.54
Less: Cancellation of shares held by TCIL [refer note (ii)]	-	-	(7,13,23,496)	(713.23)
Add: Shares issued on acquisition of TCIL business [refer note (ii)]	-	-	7,14,56,240	714.56
At the end of the year	**14,76,78,864**	**1,476.79**	**14,75,10,694**	**1,475.11**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

18 Equity share capital (Contd..)

18.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period (Contd..)

(i) On 26 September 2019, the Company allotted 754,437 equity shares of face value INR 10.00 each (amounting to INR 7.54 million) at a premium of INR 666.00 each (amounting to INR 502.46 million) to Amazon.com NV Investment Holdings, LLC, a Category II Foreign Portfolio Investor ("Investor") by way of preferential allotment ("Issue") aggregating to INR 510.00 million. As per the investment agreement with the Investor and Qdigi Services Limited, a wholly owned subsidiary of the Company, the proceeds from the above allotment will be utilised in Qdigi Services Limited.

(ii) During the year ended 31 March 2019, the Company had entered into a Composite Scheme of Arrangement and Amalgamation ("the Scheme AA") 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 had demerged 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 AA. Subsequently, the Administration and Investment Committee duly empowered by the Board approved amendment in the share entitlement ratio in the draft Scheme AA vide its meeting dated 19 December 2018 and filed the Scheme AA with BSE and NSE and subsequently with the National Company Law Tribunal ("NCLT"). During the year ended 31 March 2020, the Company had obtained the approval from the NCLT dated 7 November 2019. The appointed date of the Scheme AA is 1 April 2019 which is the effective date of the Scheme AA approved by NCLT. As per the Scheme AA, the consideration was settled by issue of 132,744 equity shares of the Company on a net basis. As part of the Scheme AA equity shares held by Thomas Cook India Limited were extinguished and an equivalent number of equity shares were allotted to the shareholders of Thomas Cook India Limited as at 6 December 2019 being the record date fixed in this respect. The change in shareholding pattern therewith is captured in the below table.

Share holding pattern prior and post implementation of the Scheme:

Particulars	Prior to implementation of Scheme		Post implementation of Scheme	
	No of Shares	Holding (%)	No of Shares	Holding (%)
Ajit Isaac	1,77,28,674	12.07%	1,77,28,674	12.02%
Isaac Enterprises Private Limited	1,53,65,824	10.46%	1,53,65,824	10.42%
Thomas Cook (India) Limited	7,13,23,496	48.57%	-	-
Fairbridge Capital (Mauritius) Limited*	-	-	4,68,76,237	31.78%
HWIC Asia Fund	7,48,100	0.51%	7,48,100	0.51%
Public	4,16,92,271	28.39%	6,67,91,859	45.27%
Total	**14,68,58,365**	**100.00%**	**14,75,10,694**	**100.00%**

**Wholly owned subsidiary of Fairfax Financial Holdings Limited, # A GBL1-CIS expert fund of Fairfax Financial Holdings Limited.*

As per the accounting specified in Scheme AA, the difference in carrying value of assets and liabilities transferred to the Company and the consideration discharged by way of issue of shares to the shareholders of TCIL has been recorded as capital reserve. The transaction has been recorded at nominal value as merger, subsequent cancellation and simultaneous issue of shares is without exchange of cash and the number of equity shares before and after the merger is the same.

(iii) During the year ended 31 March 2018, the Company has completed the Institutional Placement Programme (IPP) and raised a total capital of INR 8,739.22 million 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 8475.49 million (net of issue expenses).

Details of utilisation of IPP proceeds are as follows:

(Amount in INR million)

Particulars	Objects of the issue as per the prospectus	Utilised upto 31 March 2020	Unutilised amount as on 31 March 2020
Acquisitions and other strategic initiatives	6,250.00	6,250.00	-
Funding incremental working capital requirement of the Company	1,500.00	1,500.00	-
General corporate purpose	725.49	725.49	-
Total	**8,475.49**	**8,475.49**	**-**

Expenses incurred by the Company amounting to INR 263.73 million, 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

18 Equity share capital (Contd..)

18.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

18.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value of INR 10.00 each				
Fairbridge Capital (Mauritius) Limited	4,68,76,237	31.74%	4,68,76,237	31.78%
Ajit Isaac	1,85,86,711	12.59%	1,79,47,523	12.17%
Isaac Enterprises Private limited*	1,53,65,824	10.40%	1,53,65,824	10.42%
Aditya Birla Sun Life Trustee Private Limited	71,75,741	4.86%	95,72,569	6.49%

*Pursuant to the Scheme of Arrangement between Net Resources Investments Private Limited and Isaac Enterprises Private Limited which has been approved by Honorable NCLT, Chennai Bench on 8 July 2019 and effective from 6 August 2019, the shares held in the Company by Net Resources Investments Private Limited has been transferred to Isaac Enterprises Private Limited.

18.4 The Company has not issued any bonus share, made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the reporting date. However the Company has issued equity shares under Employee Stock option plan for which only exercise price has been received in cash as below (refer note 44).

(Values in numbers)

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Bonus shares issued	-	-	-	-	-
Shares issued on exercise of employee stock options (refer note 44)	1,68,170	5,38,680	6,00,655	6,19,925	8,37,608.00

19 Other equity*

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium (refer note 19.1)	16,984.51	16,984.51
Stock options outstanding account (refer note 19.2)	253.00	134.98
Capital reserve (refer note 19.3)	1,241.28	1,241.28
Debenture redemption reserve (refer note 19.4)	-	103.13
General reserve (refer note 19.5)	21.56	21.56
Other comprehensive income (refer note 19.6)	(140.24)	(79.16)
Retained earnings (refer note 19.7)	2,408.00	3,303.38
	20,768.11	**21,709.68**

**For detailed movement of reserves refer Standalone Statement of Changes in Equity.*

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

19 Other equity* (Contd..)

19.1 Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

During the year ended 31 March 2020, the Company issued 754,437 equity shares at a premium of INR 666.00 per share to Amazon.com NV Investment Holdings, LLC by way of preferential allotment. During the previous year as per the requirement of Section 52 of the Companies Act 2013, the Company utilised the securities premium for the expenses incurred in connection with the allotment of shares to the shareholders of TCIL pursuant to acquisition of ""Human Resource Services business"" amounting to INR 369.04 million.

19.2 Share option outstanding account

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

19.3 Capital reserve

During the year ended 31 March 2019, the Company pursuant to the scheme of amalgamation acquired Aravon Services Private Limited ("ASPL"), CentreQ Business Services Private Limited ("CBSP"), Coachieve Solutions Private Limited ("COAL"), and Master Staffing Solutions Private Limited ("MSSP") with effect from 1 April 2019. As per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka, the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve. Further during the previous year, the Company has sold the Coachieve division on a slump sale basis to Allsec Technologies Limited ("Allsec"), step-down subsidiary of the Company. The Company has recognized amount of INR 242.64 million in the capital reserve with respect to this transaction.

19.4 Debenture redemption reserve

During the year ended 31 March 2017, the Company issued secured redeemable non-convertible debentures ("NCDs") and has created a debenture redemption reserve ("DRR") as per the provisions of the Act. During the year ended 31 March 2020, the Company transferred INR 37.50 million to DRR. The Company redeemed the balance 750 NCDs aggregating to INR 750.00 million and a corresponding amount has been transferred from DRR to retained earnings.

The Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules 2014 to remove the requirement for creation of DRR of 25.00% of the value of outstanding debentures in respect of listed companies. Accordingly, the Company has stopped appropriating profits to DRR from 1 October 2019. As of 31 March 2021, the DRR balance is nil (31 March 2020: INR 103.13 million).

19.5 General reserve

General Reserve represents appropriation of profit by the Company. This represents a free reserve and is available for dividend distributions.

19.6 Other comprehensive income

Re-measurement of the net defined benefit liability/ (asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

19.7 Retained earnings

Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

20 Lease liability

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current lease liability	415.77	543.60
Current lease liability	164.69	188.34
	580.46	**731.94**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

20 Lease liability (Contd..)

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 and 31 March 2020 on an undiscounted basis:

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Less than one year	215.09	249.53
One to five years	413.41	524.58
More than five years	99.79	146.83

21 Non-current provisions

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 42)	1,405.82	1,013.50
Others		
Provision for disputed claims (refer note 21.1)	71.18	111.98
	1,477.00	**1,125.48**

21.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 are as follows:

Provision for disputed claims (refer note 39)

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance as at the beginning of the year	111.98	111.98
Provision recognised	-	-
Provision utilised (refer note (ii) below)	(40.80)	-
Balance as at the end of the year	**71.18**	**111.98**

Disputed claims

(i) The Company has received a demand notice dated 12 June 2012 from Employees' Provident Fund (EPF) Organisation raising a demand of INR 42.89 million for the period from April 2008 to February 2012 for not contributing Provident fund, Pension fund, Deposit Linked Insurance Fund and administration charges in accordance with the definition of basic wages as contained in Section 2(b) of Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company, based on an expert's opinion, is of the view that a part of the claim of the department is without foundation, while some part is still under debate and accordingly, provision is created based on the management estimate. The Company has appealed against the ruling which is pending in Employees' Provident Fund Appellate Tribunal, New Delhi. Accordingly, the Company has created INR 17.97 million provision and has paid INR 10.72 million as duty paid under protest. The balance amount of INR 14.22 million has been recognised as contingent liability.

(ii) The Company had received a demand notice dated 20 May 2017 from Assistant Commissioner of Commercial Taxes (ACCT) raising a demand of INR 37.56 million for the period from January 2016 to January 2017 for availment under composition scheme without separate registration certificate to run as a composite dealer. Avon Facility Management Services registered under the composite dealer scheme, was merged with Quess Corp Limited w.e.f. 1 January 2014. Consequent to the merger Quess Corp Limited continued to pay VAT under composite scheme. The contention of the ACCT is that there was no separate registration post merger where as Quess Corp Limited have already intimated ACCT about the merger and also have applied electronically on K-Vat portal seeking separate registration under composite scheme. During the year ended 31 March 2019, the Company has received a demand notice dated 29 January 2019 from Deputy Commissioner of Commercial Taxes (DCCT) raising a demand of INR 39.97 million (including interest and penalty) for the period April 2016 to March 2017. The Company opted for the Comprehensive

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

21 Non-current provisions (Contd..)

21.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 are as follows: (Contd..)

Karasamadhana Scheme, 2019 introduced by the Government of Karnataka for waiver of arrears of penalty and interest against the pending cases. Accordingly the Company created an additional provision of INR 18.27 million during the year ended 31 March 2019 for the balance amount of demand thus making the total provision amounting INR 40.80 million. During the year ended 31 March 2021, the provision has been reversed as the demand amount was paid under the Comprehensive Karasamadhana Scheme, 2019.

(iii) Service tax demands pending with the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Mumbai amounts to INR 154.02 million for the period from October 2007 to March 2016. Against these disputed claims Aravon Services Private Limited ("ASPL") has created provision for INR 53.21 million in its books of accounts and has paid INR 11.55 million as duty paid under protest. While performing the purchase price allocation of ASPL the Company has assessed the fair value of the remaining liability of INR 97.24 million. Accordingly, an amount of INR 42.52 million was included as provision for expenses and further provisions of INR 22.23 million was created during the year ended 31 March 2018 as part of annual assessment. ASPL was merged with Quess Corp Limited with effect from 1 April 2019 and the balance amount of INR 24.51 million has been recognised as contingent liability.

22 Current borrowings

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 22.1)	-	138.55
Working capital loan (refer note 22.2 and 36)	3,173.30	7,629.33
	3,173.30	**7,767.88**

22.1 The Company has taken cash credit and overdraft facilities having interest rate ranging from MCLR to MCLR+0.45% p.a. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Company (excluding charge on vehicles/equipment's purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Company.

22.2 The Company has taken working capital loan from banks having interest rate ranging from 5.25% p.a. to 10.50% p.a. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current assets of the Company on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Company (excluding charge on vehicles/equipment's purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Company.

23 Trade payables

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	10.60	-
Trade payables to related parties (refer note 41)	15.26	38.32
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	495.74	513.12
	521.60	**551.44**

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 36.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

24 Other current financial liabilities

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings* (refer note 24.1)	-	748.09
Interest accrued and not due	13.85	37.45
Financial guarantee liability	25.78	41.48
Capital creditors	11.67	8.02
Other payables		
Accrued salaries and benefits	1,625.81	1,458.65
Provision for bonus and incentive	245.35	218.30
Provision for expenses**	621.06	790.38
Uniform deposits	4.67	2.38
Amount payable to related parties (refer note 41)	3.79	3.47
	2,551.98	**3,308.22**

*As on 31 March 2020, current maturities of long-term borrowings includes loan outstanding of INR 748.09 million towards current maturities of outstanding secured non-convertible redeemable debentures carrying at coupon rate of 8.50%.

**Includes related party balances INR 61.79 million (31 March 2020: INR 100.99 million; refer note 41).

24.1 Non-convertible debentures

The Company in its Board of Directors Meeting held on 28 November 2016 passed a resolution to issue 1,500 redeemable non-convertible debentures ("NCDs") at a face value of INR 1.00 million aggregating to INR 1,500.00 million. The proceeds from debentures shall be utilised for the Company's long-term working capital, payment of transaction related expenses related to capital issue and general corporate purpose but shall not be used for any real estate business, equity trading/speculative business.

With effect from 24 January 2020, the debentures carry a coupon rate of 8.50% p.a. (previously 8.25% p.a.) payable annually. Redemption of debentures shall be on the redemption date without any redemption premium. They are secured primarily by way of pari passu first charge on all the movable and immovable assets of the Company.

During the year ended 31 March 2021, the Company decided to exercise the call option for redemption of non-convertible debentures. Accordingly the outstanding NCD's of INR 750.00 million along with interest was repaid on 22 January 2021.

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 36.

25 Current provisions

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for compensated absences (refer note 42)	29.01	22.14
	29.01	**22.14**

26 Other current liabilities

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unearned revenue	22.41	11.83
Advance received from customers	2.59	8.51
Balances payable to government authorities	2,027.89	2,076.85
	2,052.89	**2,097.19**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

27 Revenue from operations

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenues from business segments		
Workforce management	63,141.09	62,952.13
Operating asset management	11,048.21	13,834.40
Global technology solutions*	644.75	615.79
	74,834.06	**77,402.32**

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

(i) Disaggregation of revenue

The above break up presents disaggregated revenues from contracts with customers by each of the business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(ii) Trade receivables, unbilled revenue and unearned revenue

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, unbilled revenue and unearned revenue from contracts with customers.

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	4,970.85	4,749.09
Unbilled revenue	6,384.13	6,219.96
Unearned revenue	22.41	11.83

The unbilled revenue primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Unbilled revenues comprising revenues in excess of billings from time and material and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

The unearned revenue primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue balances:

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance as at the beginning of the year	6,219.96	4,602.93
Add: Revenue recognized during the year	5,487.96	5,291.73
Less: Invoiced during the year	(4,980.95)	(3,674.70)
Less : Loss allowance recognised/ (reversed) during the year	(342.84)	-
Balance as at the end of the year	**6,384.13**	**6,219.96**

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

27 Revenue from operations (Contd..)

(ii) Trade receivables, unbilled revenue and unearned revenue

The following table discloses the movement in unearned revenue balances:

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance as at the beginning of the year	11.83	4.66
Less: Revenue recognized during the year	(11.83)	(47.52)
Add: Invoiced during the year but not recognized as revenue during the year	22.41	54.69
Balance as at the end of the year	**22.41**	**11.83**

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for:

(i) contracts with an original expected duration of one year or less and

(ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is INR 772.90 million (31 March 2020: INR 1,949.97 million). Out of this, the Company expects to recognize revenue of around 51.27% (31 March 2020: 50.00%) within the next one year and the remaining thereafter.

28 Other income

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under the effective interest rate method on:		
Deposits with banks	26.56	68.75
Amortised cost adjustments for financial instruments	21.92	38.22
Interest on tax refunds received	214.75	1.86
Profit on sale of property, plant and equipment and intangible assets	-	2.26
Foreign exchange gain	1.71	-
Interest on loans given to related parties (refer note 41)	26.02	292.06
Interest income from investments in debentures of related parties (refer note 41)	-	65.75
Net gain on sale of investments in mutual funds	-	48.46
Liabilities no longer required written back	0.37	0.03
Net fair value loss on mutual funds	-	(44.58)
Miscellaneous income	12.46	2.65
	303.79	**475.46**

29 Cost of material and stores and spare parts consumed

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	102.53	108.68
Add: Purchases	686.06	1,303.39
Less: Inventory at the end of the year	(75.68)	(102.53)
Cost of materials and stores and spare parts consumed	**712.91**	**1,309.54**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

30 Employee benefit expenses

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	62,094.98	61,343.34
Contribution to provident and other funds	5,596.18	6,176.55
Expenses related to post-employment defined benefit plan	315.04	281.57
Expenses related to compensated absences	7.34	(4.65)
Staff welfare expenses	56.06	99.05
Expense on employee stock option scheme	118.02	18.77
	68,187.62	**67,914.63**

31 Finance costs

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities at amortised cost	488.01	753.09
Interest expense on convertible debentures	53.78	121.20
Interest expense on lease liabilities	61.33	71.40
Other borrowing costs	31.51	22.30
	634.63	**967.99**

32 Depreciation and amortisation expenses

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment [refer note 3 (a)]	162.12	189.07
Depreciation of rights-of-use-assets [refer note 3 (b)]	206.50	231.10
Amortisation of intangible assets (refer note 4)	156.46	236.01
	525.09	**656.18**

33 Other expenses

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sub-contractor charges	1,234.38	1,273.27
Recruitment and training expenses	417.53	642.25
Rent (refer note 33.1)	155.30	191.84
Power and fuel	58.51	115.48
Repairs & maintenance		
- buildings	112.41	88.02
- plant and machinery	250.60	175.26
- others	244.20	237.85
Legal and professional fees (refer note 33.2)	313.22	264.32
Rates and taxes	19.18	93.59
Printing and stationery	31.17	75.71
Stores and tools consumed	166.04	130.30
Travelling and conveyance	208.99	415.76

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

33 Other expenses (Contd..)

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Communication expenses	62.13	83.12
Loss allowance on financial assets, net [refer note 36(i)]	1,303.76	55.98
Equipment hire charges	103.58	102.10
Insurance	145.86	269.02
Database access charges	36.20	39.74
Bank charges	2.32	3.61
Business promotion and advertisement expenses	301.67	450.24
Loss on sale of fixed assets, net	0.67	35.64
Foreign exchange loss, net	-	21.79
Expenditure on corporate social responsibility (refer note 33.3)	42.20	40.00
Deposits/advances written-off	0.20	-
Miscellaneous expenses	51.80	37.98
	5,261.92	**4,842.87**

33.1 Details of rent

Represents lease rentals for short term leases.

The Company has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs on 24 July 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Company recognised an amount INR 31.77 million in the standalone financial statements for the year ended 31 March 2021 as reduction of rent expenses grouped under other expenses on account of rent concessions received.

33.2 Payment to auditors (net of service tax/ GST; included in legal and professional fees)

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statutory audit fees	6.00	4.40
Limited reviews	3.80	2.00
Tax audit fees	0.30	0.30
Others	1.25	1.50
Reimbursement of expenses	0.40	0.92
	11.75	**9.12**

33.3 Details of CSR expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility ("CSR") activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds required to be spent and funds spent during the year are explained below:

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	42.17	38.56
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than i) above	42.20	40.00

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

34 Exceptional items

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Impairment loss allowance on:		
Goodwill (refer note 4)	-	2,787.83
Intangible assets (refer note 4)	-	677.68
Investment in equity instruments of subsidiaries and associates (refer note 5)	112.70	1,158.33
Investment in compulsorily convertible debentures (refer note 5)	-	352.67
Loans given to related party (refer note 6)	-	284.67
	112.70	**5,261.18**

35 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR millions)

Particulars	Note	31 March 2021			31 March 2020		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets:							
Non-current investments*	5	-	-	1,657.51	-	-	3,447.73
Loans	6 & 14	-	-	800.95	-	-	1,778.17
Trade receivables	11	-	-	4,970.85	-	-	4,749.09
Cash and cash equivalents including other bank balances	12 & 13	-	-	1,619.19	-	-	4,266.29
Unbilled revenue	15	-	-	6,384.13	-	-	6,219.96
Other financial assets	7 & 16	-	-	230.72	-	-	218.13
Total financial assets		**-**	**-**	**15,663.35**	**-**	**-**	**20,679.37**
Financial Liabilities:							
Lease liabilities	20	-	-	580.46	-	-	731.94
Borrowings	22	-	-	3,173.30	-	-	7,767.88
Trade payables	23	-	-	521.60	-	-	551.44
Non-convertible debentures**	24	-	-	-			748.09
Other financial liabilities	24	-	-	2,551.98	-	-	2,560.13
Total financial liabilities		**-**	**-**	**6,827.34**	**-**	**-**	**12,359.48**

* Investment in equity shares is not appearing as financial asset in the table above being investment in subsidiaries and associates accounted under Ind AS 27, Separate Financial Statements and is hence scoped out under Ind AS 109.

** Current maturities of long-term borrowings are included under non-convertible debentures and excluded from other financial liabilities.

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

35 Financial instruments - fair value and risk management (Contd..)

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard:

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2021	Level 1	Level 2	Level 3
Financial assets not measured at fair value					
Loans	6 & 14	800.95	-	-	-
Trade receivables	11	4,970.85	-	-	-
Cash and cash equivalents including other bank balances	12 & 13	1,619.19	-	-	-
Unbilled revenue	15	6,384.13	-	-	-
Other financial assets	7 & 16	230.72	-	-	-
Total financial assets		**14,005.84**	**-**	**-**	**-**
Financial liabilities not measured at fair value					
Lease liabilities	20	580.46	-	-	-
Borrowings	22	3,173.30	-	-	-
Trade payables	23	521.60	-	-	-
Other financial liabilities	24	2,551.98	-	-	-
Total financial liabilities		**6,827.34**	**-**	**-**	**-**

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2020	Level 1	Level 2	Level 3
Financial liabilities not measured at fair value					
Loans	6 & 14	1,778.17	-	-	-
Trade receivables	11	4,749.09	-	-	-
Cash and cash equivalents including other bank balances	12 & 13	4,266.29	-	-	-
Unbilled revenue	15	6,219.96	-	-	-
Other financial assets	7 & 16	218.13	-	-	-
Total financial assets		**17,231.64**	**-**	**-**	**-**
Financial liabilities measured at fair value					
Non-convertible debentures*	24	748.09	748.09	-	-
Financial liabilities not measured at fair value					
Lease liabilities	20	731.94	-	-	-
Borrowings	22	7,767.88	-	-	-
Trade payables	23	551.44	-	-	-
Other financial liabilities*	24	2,560.13	-	-	-
Total financial liabilities		**11,611.39**	**-**	**-**	**-**

*Current maturities of long-term borrowings are included under non-convertible debentures and excluded from other financial liabilities

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This comprises of investment in mutual funds and non-convertible debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

35 Financial instruments - fair value and risk management (Contd..)

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A Financial assets:

1) The Company has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances, unbilled revenue and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

2) Current investments: The fair values of investments in mutual fund units disclosed as current investments is based on the net asset value (''NAV'') as stated by the issuers of these mutual fund units in the published statements as at the reporting date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

B Financial liabilities:

1) Non-convertible debentures(quoted): The fair values of the Company's interest-bearing debentures are determined by using Discounted cash flow ("DCF") method using discount rate that reflects the issuer's coupon rate as at the end of the reporting period.

2) Borrowings: The current borrowings which includes cash credit and overdraft facilities and working capital loan, are classified and subsequently measured in the financial statements at amortised cost. Considering that the interest rate on the loan is reset on a monthly/quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

3) Trade payables and other financial liabilities: Fair values of trade payables and other financial liabilities are measured at carrying value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the carrying values.

36 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

36 Financial risk management (Contd..)

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Loans represent security deposits given to suppliers, lessors and others. Credit risk associated with such deposits is relatively low.

Trade receivables and unbilled revenue

The Company's exposure to credit risk is influenced mainly by trade receivables and unbilled revenue. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in India.

The Company has established a credit policy under which each customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 March 2021 and 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue.

Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers during the year ended 31 March 2021.

For non-government customers, based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over the last six quarters. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of trade receivables and unbilled revenue. The loss rates considers the credit risk of the customers and have been adjusted to reflect the Management's view of future economic conditions over the expected collection period of the receivables. For government customers, based on the industry benchmarking and insignificant credit risk, a provision matrix primarily based on the time based movement within the life cycle of customer receivable is considered. For time based ageing, the company used appropriate loss rate which is increased by yearly multiplier to arrive at effective ECL provision for respective ageing buckets. The loss rate has been adjusted with additional facts to reflect the Management's view of future economic conditions over the expected collection period of the government receivables.

The movement in the allowance for impairment in respect of trade receivables and unbilled revenue is as follows:

(Amount in INR millions)

Particulars	31 March 2021	31 March 2020
Balance as at the beginning of the year	391.94	439.06
Loss allowance recognised/ (reversed) under expected credit loss model*	574.24	55.98
Less: Bad debts written off	(86.06)	(103.10)
Balance as at the end of the year	**880.12**	**391.94**

*does not include loss allowance recognised during the year ended 31 March 2021 on loans amounting to INR 35.53 million and on investment in convertible debentures amounting to INR 693.99 million.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits and other financial instruments. This is generally carried out in accordance with practice and limits set by the Company. The limits vary to take into account the liquidity of the market in which the Company operates.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

36 Financial risk management (Contd..)

Financing arrangement

The Company maintains line of credit as explained in note 22.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and exclude netting arrangements.

As at 31 March 2021

(Amount in INR millions)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	3,173.30	3,173.30	-	-	-
Trade payables	511.00	511.00	-	-	-
Lease liabilities	580.46	164.69	135.99	191.59	90.18
Other financial liabilities	2,551.98	2,551.98	-	-	-

As at 31 March 2020

(Amount in INR millions)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	8,515.97	8,515.97	-	-	-
Trade payables	551.44	551.44	-	-	-
Lease liabilities	731.94	188.34	173.80	243.10	126.70
Non-convertible debentures*	748.09	748.09	-	-	-
Other financial liabilities	2,560.13	2,560.13	-	-	-

*Current maturities of long-term borrowings are included under borrowings and excluded from other financial liabilities

The Company has a strong focus on liquidity and maintains a robust cash position to ensure adequate cover for responding to potential short-term market dislocation. Cash generated through operating activities remains the primary source for liquidity along with undrawn borrowing facilities and levels of cash and cash equivalents.

As disclosed in note 22, the Company has secured bank loans that contains loan covenants. A future breach of covenants may require the Company to repay the loans earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company. The Company is not exposed to significant currency risk as majority of the transactions are primarily denominated in Indian Rupees ("INR"), which is the national currency of India.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

36 Financial risk management (Contd..)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Foreign currency*	Amount in INR millions	Foreign currency*	Amount in INR millions
Trade receivables	USD	68,587	5.01	1,19,701	8.55
	EURO	-	-	1,11,476	8.85
	QAR	9,79,315	19.55	-	-
	SGD	1,85,000	10.05	-	-
	CAD	1,10,000	6.38	-	-
Other liabilities	USD	60,716	4.44	-	-
	CAD	65,341	3.79	65,341	8.57
	Other currencies**	1,17,298	0.71	-	-

*Foreign currency values are in actuals and not recorded in millions.

**Others includes currencies like United Arab Emirates Dirham, Bangladeshi Taka and Malaysian Ringgit.

The following significant exchange rates have been applied:

Currency	Year end spot rate	
	31 March 2021	31 March 2020
USD/INR	73.11	75.67
EURO/INR	85.75	82.77
QAR/INR	19.96	20.64
SGD/INR	54.35	53.03
CAD/INR	58.03	53.08

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO, SGD and CAD against INR at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and the standalone statement of profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant:

(Amount in INR millions)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (3.38% movement)	0.02	(0.02)	0.01	(0.01)
QAR (3.28% movement)	0.64	(0.64)	0.48	(0.48)
SGD (2.50% movement)	0.25	(0.25)	0.19	(0.19)
CAD (9.31% movement)	0.24	(0.24)	0.18	(0.18)

(Amount in INR millions)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
USD (9.41% movement)	0.80	(0.80)	0.60	(0.60)
EURO (6.56% movement)	0.58	(0.58)	0.43	(0.43)
CAD (2.99% movement)	0.10	(0.10)	0.08	(0.08)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

36 Financial risk management (Contd..)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of working capital loan which carries fixed rate of interest and which do not expose it to interest rate risk. The borrowings also includes cash credit facilities which carries variable rate of interest.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	-	138.55
Fixed rate borrowings	3,173.30	8,377.42
Total borrowings	**3,173.30**	**8,515.97**

Total borrowings considered above includes current maturities of long term borrowings.

(b) Sensitivity

(Amount in INR millions)

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2021				
Variable rate borrowings	-	-	-	-
31 March 2020				
Variable rate borrowings	(1.39)	1.39	(0.90)	0.90

The sensitivity analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

37 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximise shareholder value.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate on non-current borrowings, current borrowing and current maturities of long-term borrowings less cash and cash equivalents.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio were as follows:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	3,173.30	8,515.97
Less: Cash and cash equivalents	(1,021.44)	(3,902.90)
Adjusted net debt	**2,151.86**	**4,613.07**
Total equity	22,244.90	23,184.79
Net debt to equity ratio	**0.10**	**0.20**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

38 Capital commitments

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	37.32	9.14
	37.32	**9.14**

39 Contingent liabilities and commitments (to the extent not provided for)

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Corporate guarantees given as security for loan availed by related parties (refer note 39.3)	5,145.93	5,065.93
Bonus (refer note 39.4)	325.88	325.88
Provident fund (refer note 39.1 and 39.2)	14.22	32.17
Direct and indirect tax matters (refer note 39.1 and 39.2)	32.15	43.70
	5,518.18	**5,467.68**

39.1 Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company is contesting the demand and the Management believes that its position will likely be upheld. The Management believes that the outcome of this proceedings will not have material adverse effect on the Company's financial position and results of operations.

39.2 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect outcome of these proceedings to have a material adverse effect on its financial position.

39.3 The Company has given guarantees to banks for the loans availed by related parties to make good any default made by its related parties in repayment to banks.

Movement of corporate guarantees given to related parties during the current year are as follows:

(Amount in INR millions)

Related Parties	As at 1 April 2020	Given during the financial year	Expired during the financial year	As at 31 March 2021
MFX Infotech Private Limited	60.00	60.00	(60.00)	60.00
Terrier Security Services (India) Private Limited	220.00	300.00	(220.00)	300.00
Excelus Learning Solutions Private Limited	185.16	-	-	185.16
Quesscorp Holdings Pte. Ltd	1,869.52	-	-	1,869.52
Golden Star Facilities and Services Private Limited	350.00	350.00	(350.00)	350.00
Quessglobal (Malaysia) SDN. BHD.	16.89	-	-	16.89
Greenpiece Landscapes India Private Limited	250.00	250.00	(250.00)	250.00
Qdigi Services Limited	400.00	400.00	(400.00)	400.00
Vedang Cellular Services Private Limited	200.00	200.00	(200.00)	200.00
Quess Corp Lanka (Private) Limited	26.80	-	-	26.80
MFXChange Holdings Inc.	1,187.56	-	-	1,187.56
Monster.com (India) Private Limited	300.00	300.00	(300.00)	300.00
Total	**5,065.93**	**1,860.00**	**(1,780.00)**	**5,145.93**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

39 Contingent liabilities and commitments (to the extent not provided for) (Contd..)

Movement of corporate guarantees given to related parties during the previous year are as follows:

(Amount in INR millions)

Related Parties	As at 1 April 2019	Given during the financial year	Expired during the financial year	As at 31 March 2020
Brainhunter Systems Limited	619.88	-	(619.88)	-
MFX Infotech Private Limited	60.00	60.00	(60.00)	60.00
Terrier Security Services (India) Private Limited	220.00	-	-	220.00
Excelus Learning Solutions Private Limited	185.16	-	-	185.16
Quesscorp Holdings Pte. Ltd	1,218.65	1,869.52	(1,218.65)	1,869.52
Golden Star Facilities and Services Private Limited	350.00	350.00	(350.00)	350.00
Quessglobal (Malaysia) SDN. BHD.	16.89	-	-	16.89
Greenpiece Landscapes India Private Limited	160.00	250.00	(160.00)	250.00
Qdigi Services Limited	400.00	400.00	(400.00)	400.00
Vedang Cellular Services Private Limited	150.00	200.00	(150.00)	200.00
Quess Corp Lanka (Private) Limited	26.80	-	-	26.80
MFXChange Holdings Inc.	-	1,187.56	-	1,187.56
Monster.com (India) Private Limited	-	300.00	-	300.00
Total	**3,407.38**	**4,617.08**	**(2,958.53)**	**5,065.93**

39.4 The Payment of Bonus (Amendment) Act, 2015 (hereinafter referred to as the Amendment Act, 2015) has been enacted on 31 December 2015, according to which the eligibility criteria of salary or wages has been increased from INR 10,000.00 per month to INR 21,000.00 per month [Section 2(13)] and the ceiling for computation of such salary or wages has been increased from INR 3,500.00 per month to INR 7,000.00 per month or the minimum wage for the scheduled employment, as fixed by the appropriate government, whichever is higher. The reference to scheduled employment has been linked to the provisions of the Minimum Wages Act, 1948. The Amendment Act, 2015 is effective retrospectively from 1 April 2014.

For the period ended 31 March 2015, the Company has obtained a legal opinion from an external lawyer and was advised to take a position that the stay granted by the two High Courts of India on the retrospective application of the amendment would have a persuasive effect even outside the boundaries of the relevant states and accordingly no provision is currently required. The same if incurred by the Company will be billed back to customers including service charges. Accordingly an amount of INR 325.88 million being bonus for such retrospective period has been considered as contingent liability.

39.5 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 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 716.56 million. 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 ("E PFO") 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 matter has been further adjourned to 16 July 2021. 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 rights with its customers wherein any such statutory liabilities could be passed on to them and the Company has obtained confirmation from the customers in this regard. Based on the legal advice, pending the hearing of the appeal and contractual arrangement with customers, no provision or contingent liability has been recognised at this stage.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

40 Earnings per share

(Amount in INR millions except number of shares and per share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares (INR per share)	10.00	10.00
(Loss)/profit after tax for the purpose of earnings per share (INR in million)	(998.51)	(3,369.07)
Weighted average number of shares used in computing basic earnings per share	14,76,19,501	14,68,41,985
Basic loss per share (INR)	**(6.76)**	**(22.94)**
Weighted average number of shares used in computing diluted earnings per share	14,97,35,737	14,71,29,275
Diluted loss per share (INR)	**(6.67)**	**(22.89)**

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Number of equity shares outstanding at the beginning of the year	**14,75,10,694**	**14,60,84,833**
Add: Weighted average number of equity shares issued during the year:		
58,960 number of equity shares issued under ESOP scheme on 11 May 2020 for 325 days	52,499	-
13,667 number of equity shares issued under ESOP scheme on 27 May 2020 for 309 days	11,570	-
54,624 number of equity shares issued under ESOP scheme on 24 July 2020 for 251 days	37,563	-
40,919 number of equity shares issued under ESOP scheme on 27 January 2021 for 64 days	7,175	-
132,744 number of equity shares issued for TCIL merger on 1 April 2019 for 366 days [refer note 19.1(ii)]	-	1,32,744
19,095 number of equity shares issued under ESOP scheme on 17 April 2019 for 350 days	-	18,260
754,437 number of equity shares issued under preferential allotment on 26 September 2019 for 188 days [refer note 19.1(i)]	-	3,87,525
519,585 number of equity shares issued under ESOP scheme on 30 October 2019 for 154 days	-	2,18,623
Weighted average number of shares outstanding at the end of the year for computing basic earnings per share	**14,76,19,501**	**14,68,41,985**
Add: Impact of potentially dilutive equity shares		
2,904,165 (31 March 2020: 297,446) number of ESOP's at fair value	21,16,236	2,87,290
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**14,97,35,737**	**14,71,29,275**

41 Related party disclosures*

(i) Name of related parties and description of relationship:

Entities having significant influence	Fairfax Financial Holdings Limited
	Fairbridge Capital (Mauritius) Limited
	FFHL Group Ltd.
	Fairfax (Barbados) International Corp.
	Isaac Enterprises Private Limited
	Thomas Cook (India) Limited [upto 1 April 2019, refer note 19.1(ii)]

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(i) Name of related parties and description of relationship: (Contd..)

Subsidiaries (including step subsidiaries)	MFX Infotech Private Limited
	Brainhunter Systems Limited
	Mindwire Systems Limited
	Quess (Philippines) Corp.
	Quess Corp (USA) Inc.
	Quesscorp Holdings Pte. Ltd
	Quessglobal (Malaysia) Sdn. Bhd.
	Quess Corp Lanka (Private) Limited
	Comtel Solutions Pte. Ltd
	MFXchange Holdings, Inc.
	MFXchange US, Inc.
	Quess Corp Vietnam LLC
	MFX Chile SpA (till 9 December 2019)
	Dependo Logistics Solutions Private Limited (till 17 August 2020)
	Excelus Learning Solutions Private Limited
	Conneqt Business Solution Limited
	Vedang Cellular Services Private Limited
	Golden Star Facilities and Services Private Limited
	Comtelpro Pte. Ltd
	Comtelink Sdn. Bhd.
	Monster.com (India) Private Limited
	Monster.com.SG PTE Limited
	Monster.com HK Limited
	Agensi Pekerjaan Monster Malaysia Sdn. Bhd
	Qdigi Services Limited
	Greenpiece Landscapes India Private Limited
	Simpliance Technologies Private Limited
	Quesscorp Management Consultancies
	Quesscorp Manpower Supply Services LLC
	Quess Services Limited
	Allsec Technologies Limited (w.e.f. 3 June 2019)
	Allsectech Inc. USA (w.e.f. 3 June 2019)
	Allsectech Manila Inc. Philippines (w.e.f. 3 June 2019)
	Retreat Capital Management Inc, USA (w.e.f. 3 June 2019; dissolved w.e.f. 19 February 2021)
	Trimax Smart Infraprojects Private Limited (w.e.f. 15 October 2019)
	Terrier Security Services (India) Private Limited**
	Quess East Bengal FC Private Limited***
Associates	Heptagon Technologies Private Limited
	Quess Recruit, Inc.
	Agency Pekerjaan Quess Recruit SDN. BHD

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(i) Name of related parties and description of relationship: (Contd..)

	Stellarslog Technovation Private Limited (w.e.f. 29 January 2021)
Joint Venture	Himmer Industrial Services (M) Sdn. Bhd.
Entities having common directors	Go Digit Infoworks Service Private Limited
	Go Digit General Insurance Limited
	National Collateral Management Services Limited
	Net Resources Investments Private Limited
Entity in which key managerial person has significant influence	Careworks foundation
Key executive management personnel	
Ajit Isaac	Chairman and Managing Director (upto 31 March 2021)
	Executive Chairman (w.e.f. 1 April 2021)
Subrata Kumar Nag	Executive Director & Chief Executive Officer (upto 31 March 2020)
K. Suraj Moraje	Executive Director (w.e.f. 4 November 2019)
	Group Chief Executive Officer and Executive Director (w.e.f. 1 April 2020)
	Group Chief Executive Officer and Managing Director (w.e.f. 1 April 2021)
Subramaniam Ramakrishnan	Chief Financial Officer (upto 31 March 2021)
N. Ravi Vishwanath	Chief Financial Officer (w.e.f. 1 April 2021)
Kundan K. Lal	Company Secretary (w.e.f. 17 April 2019)

*The related party disclosures are after taking into consideration the impact of merger (refer note 48).

**W.e.f. 27 May 2020, Terrier Security Services (India) Private Limited is a subsidiary of the Company.

***W.e.f. 16 July 2020, Quess East Bengal FC Private Limited is a subsidiary of the Company.

(ii) Related party transactions during the year:

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Subsidiaries	Vedang Cellular Services Private Limited	0.93	0.17
	Qdigi Services Limited	8.03	129.09
	Golden Star Facilities and Services Private Limited	-	29.50
	Conneqt Business Solutions Limited	129.77	211.11
	Monster.com (India) Private Limited	3.19	7.12
	Comtel Solutions Pte. Ltd	5.27	2.02
	Excelus Learning Solutions Private Limited	-	50.00
	Allsec Technologies Limited	42.99	15.04
	Trimax Smart Infraprojects Private Limited	43.58	27.35
	Terrier Security Services (India) Private Limited	1.79	97.23
	Dependo Logistics Solutions Private Limited	0.93	-
	Simpliance Technologies Private Limited	0.97	-
	Quesscorp Holdings Pte. Ltd	19.55	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(ii) Related party transactions during the year: (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended 31 March 2021	For the year ended 31 March 2020
	Quess East Bengal FC Private Limited	-	20.00
Associates	Heptagon Technologies Private Limited	0.27	0.16
Joint ventures	Himmer Industrial Services (M) Sdn. Bhd.	-	3.86
Entities having common directors	Go Digit Infoworks Service Private Limited	6.75	16.23
	Go Digit General Insurance Limited	10.88	9.70
	National Collateral Management Services Limited	70.90	109.67
	Net Resources Investments Private Limited	1.21	1.27
Entity in which key managerial person has significant influence	Careworks foundation	26.92	45.58
Other expenses			
Subsidiaries	MFX Infotech Private Limited	363.17	299.47
	Golden Star Facilities and Services Private Limited	16.96	6.63
	Monster.com (India) Private Limited	2.61	2.95
	Conneqt Business Solutions Limited	56.13	9.09
	Qdigi Services Limited	1.09	7.27
	Greenpiece Landscapes India Private Limited	17.44	-
	Allsec Technologies Limited	11.61	4.39
	Quessglobal (Malaysia) Sdn. Bhd.	2.22	2.54
	Simpliance Technologies Private Limited	5.21	13.61
	Quess Services Limited	6.24	-
	Quesscorp Manpower Supply Services LLC	7.58	-
	Terrier Security Services (India) Private Limited	139.11	46.74
Associates	Heptagon Technologies Private Limited	45.23	26.98
Entities having common directors	Net Resources Investments Private Limited	37.13	38.29
Intangible assets under development			
Associates	Heptagon Technologies Private Limited	32.22	3.91
Intangible assets			
Associates	Heptagon Technologies Private Limited	-	5.13
Tangible assets			
Subsidiary	Terrier Security Services (India) Private Limited	-	0.40

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(ii) Related party transactions during the year: (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses incurred by the Company on behalf of related parties			
Subsidiaries	MFX Infotech Private Limited	10.74	9.46
	Excelus Learning Solutions Private Limited	32.63	20.88
	Dependo Logistics Solutions Private Limited	1.73	12.20
	Qdigi Services Limited	78.19	51.04
	Conneqt Business Solutions Limited	-	8.24
	Monster.com (India) Private Limited	12.52	1.69
	Quess Services Limited	-	2.94
	Allsec Technologies Limited	6.12	1.52
	Golden Star Facilities and Services Private Limited	8.22	3.91
	Trimax Smart Infraprojects Private Limited	1.49	12.79
	Vedang Cellular Services Private Limited	2.65	-
	Greenpiece Landscapes India Private Limited	7.70	-
	Terrier Security Services (India) Private Limited	29.38	11.62
Payment made by related parties on behalf of the Company			
Subsidiaries	Dependo Logistics Solutions Private Limited	0.84	3.93
	MFX Infotech Private Limited	-	2.47
	Excelus Learning Solutions Private Limited	-	5.00
Loans given to related parties			
Subsidiaries	MFX Infotech Private Limited	-	6.76
	Dependo Logistics Solutions Private Limited	-	184.40
	Excelus Learning Solutions Private Limited	14.00	8.46
	Quess Corp (USA) Inc.	3.93	7.31
	Vedang Cellular Services Private Limited	-	68.60
	Golden Star Facilities and Services Private Limited	18.00	108.40
	Greenpiece Landscapes India Private Limited	34.06	97.54
	Quesscorp Holdings Pte. Ltd	-	33.32
	Quess Corp Vietnam Limited Liability Company	0.48	0.19
	Monster.com (India) Private Limited	-	235.00
	Conneqt Business Solutions Limited	-	1,270.87
	Trimax Smart Infraprojects Private Limited	8.90	271.08

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(ii) Related party transactions during the year: (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended 31 March 2021	For the year ended 31 March 2020
	Quess East Bengal FC Private Limited	35.53	168.43
	Terrier Security Services (India) Private Limited	409.21	673.16
Associates	Heptagon Technologies Private Limited	92.71	111.64
Repayment of loans /conversion of loan into compulsorily convertible debentures			
Subsidiaries	Dependo Logistics Solutions Private Limited	-	291.60
	MFX Infotech Private Limited	-	103.21
	Quesscorp Holdings Pte. Ltd	-	1,035.37
	Greenpiece Landscapes India Private Limited	7.00	82.56
	Vedang Cellular Services Private Limited	-	68.60
	Trimax Smart Infraprojects Private Limited	6.00	1,164.68
	Golden Star Facilities and Services Private Limited	18.00	108.40
	Excelus Learning Solutions Private Limited	-	386.11
	Conneqt Business Solutions Limited	-	1,270.87
	Monster.com (India) Private Limited	-	235.00
	Quess Corp (USA) Inc.	62.25	-
	Terrier Security Services (India) Private Limited	751.38	556.00
Associates	Heptagon Technologies Private Limited	714.87	-
Interest on loans/debentures charged to related parties			
Subsidiaries	Golden Star Facilities and Services Private Limited	0.28	2.62
	MFX Infotech Private Limited	-	3.47
	Dependo Logistics Solutions Private Limited	-	3.79
	Excelus Learning Solutions Private Limited	0.14	12.97
	Quess Corp (USA) Inc.	2.54	3.93
	Vedang Cellular Services Private Limited	-	2.71
	Trimax Smart Infraprojects Private Limited	0.11	82.27
	Greenpiece Landscapes India Private Limited	4.00	3.48
	Quesscorp Holdings Pte. Ltd	-	11.92
	Quess Corp Vietnam LLC	0.47	0.48
	Conneqt Business Solution Limited	-	90.34
	Monster.com (India) Private Limited	-	6.44
	Terrier Security Services (India) Private Limited	18.53	44.05
	Quess East Bengal FC Private Limited	-	3.33
Associates	Heptagon Technologies Private Limited	-	86.02

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(ii) Related party transactions during the year: (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended 31 March 2021	For the year ended 31 March 2020
Guarantees provided to banks on behalf of related parties			
Subsidiaries	MFX Infotech Private Limited	60.00	60.00
	Vedang Cellular Services Private Limited	200.00	200.00
	Golden Star Facilities and Services Private Limited	350.00	350.00
	Qdigi Services Limited	400.00	400.00
	Greenpiece Landscapes India Private Limited	250.00	250.00
	Quesscorp Holdings Pte. Ltd	-	1,869.52
	Monster.com (India) Private Limited	300.00	300.00
	MFXchange Holdings, Inc.	-	1,187.56
	Terrier Security Services (India) Private Limited	300.00	220.00

(iii) Balance receivable from and payable to related parties as at the reporting date:

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	As at 31 March 2021	As at 31 March 2020
Trade receivables (gross of loss allowance)			
Subsidiaries	MFX Infotech Private Limited	-	96.24
	Qdigi Services Limited	0.98	2.92
	Trimax Smart Infraprojects Private Limited	137.53	209.38
	Conneqt Business Solutions Limited	40.97	18.67
	Monster.com (India) Private Limited	2.79	2.78
	Quess Philippines Corp.	12.00	12.00
	Comtel Solutions Pte. Ltd	-	0.69
	Allsec Technologies Limited	1.83	3.90
	Excelus Learning Solutions Private Limited	4.00	-
	Simpliance Technologies Private Limited	1.15	-
	Vedang Cellular Services Private Limited	0.23	-
	Quess East Bengal FC Private Limited	3.60	-
	Terrier Security Services (India) Private Limited	0.64	98.58
	Quesscorp Holdings Pte. Ltd	10.05	-
	MFXchange Holdings Inc.	6.18	-
Entities having common directors	Go Digit Infoworks Service Private Limited	1.63	3.20
	Go Digit General Insurance Limited	0.36	8.72
	National Collateral Management Services Limited	5.55	0.04

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(iii) Balance receivable from and payable to related parties as at the reporting date: (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	As at 31 March 2021	As at 31 March 2020
Entity in which key managerial person has significant influence	Careworks foundation	6.78	-
Trade payables			
Subsidiaries	Monster.com (India) Private Limited	0.38	0.02
	Golden Star Facilities and Services Private Limited	0.67	3.28
	Qdigi Services Limited	-	0.14
	Allsec Technologies Limited	-	16.20
	Quessglobal (Malaysia) Sdn. Bhd.	0.21	1.13
	Conneqt Business Solutions Limited	13.57	-
	Quesscorp Manpower Supply Services LLC	0.08	-
	Terrier Security Services (India) Private Limited	0.35	16.77
Associates	Heptagon Technologies Private Limited	-	0.78
Entities having common directors	Net Resources Investments Private Limited	0.06	0.27
Other assets (non-current and current)			
Subsidiaries	Greenpiece Landscape India Private Limited	1.80	-
Associates	Heptagon Technologies Private Limited	20.48	-
Unbilled revenue			
Subsidiaries	Vedang Cellular Services Private Limited	0.04	0.04
	Golden Star Facilities and Services Private Limited	-	7.00
	Monster.com (India) Private Limited	0.11	-
	Conneqt Business Solutions Limited	7.55	16.53
	Excelus Learning Solutions Private Limited	-	50.00
	Qdigi Services Limited	0.40	0.51
	Allsec Technologies Limited	1.59	0.53
	Trimax Smart Infra Projects Private limited	1.49	8.75
	Quesscorp Holdings Pte. Ltd	19.73	-
	Terrier Security Services (India) Private Limited	-	24.00
	Quess East Bengal FC Private Limited	-	20.00
Associates	Heptagon Technologies Private Limited	0.08	-
Entity in which key managerial person has significant influence	Careworks foundation	2.38	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(iii) Balance receivable from and payable to related parties as at the reporting date: (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	As at 31 March 2021	As at 31 March 2020
Loans*			
Subsidiaries	Quess Corp (USA) Inc.	-	58.89
	Greenpiece Landscape India Private Limited	87.04	60.00
	Quess Corp Vietnam Limited Liability Company	7.68	7.21
	Trimax Smart Infra Projects Private limited	2.90	-
	Excelus Learning Solutions Private Limited	14.00	-
	Quess East Bengal FC Private Limited	278.39	242.85
	Terrier Security Services (India) Private Limited	-	342.16
Associates	Heptagon Technologies Private Limited	265.18	887.34
Other financial assets (interest receivable)			
Subsidiaries	Quess Corp (USA) Inc.	-	3.93
	Qdigi Services Limited	-	0.04
	Greenpiece Landscape India Private Limited	3.98	1.06
	Quess Corp Vietnam Limited Liability Company	0.47	0.48
	Trimax Smart Infra Projects Private limited	0.03	-
	Excelus Learning Solutions Private Limited	0.14	-
	Terrier Security Services (India) Private Limited	-	42.91
Associates	Heptagon Technologies Private Limited	-	82.23
Other financial assets (due from related parties)			
Subsidiaries	Dependo Logistics Solutions Private Limited	-	2.88
	MFX Infotech Private Limited	11.25	5.51
	Qdigi Services Limited	78.14	51.55
	Excelus Learning Solutions Private Limited	3.97	8.25
	Monster.com (India) Private Limited	1.00	1.44
	Quess Services Limited	2.94	2.94
	Allsec Technologies Limited	2.01	1.52
	Trimax Smart Infra Projects Private limited	0.68	0.33
	Greenpiece Landscape India Private Limited	7.70	-
	Terrier Security Services (India) Private Limited	6.09	11.62

*Loans receivable from related party excludes impairment loss recognised during the year ended 31 March 2021 and 31 March 2020 (refer note 46).

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

41 Related party disclosures* (Contd..)

(iii) Balance receivable from and payable to related parties as at the reporting date: (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	As at 31 March 2021	As at 31 March 2020
Other current financial liabilities			
Subsidiaries	Brainhunter Systems Limited	3.79	3.47
	Conneqt Business Solutions Limited	0.70	5.15
	Qdigi Services Limited	0.52	0.66
	Monster.com (India) Private Limited	0.30	0.17
	Allsec Technologies Limited	7.68	1.94
	MFX Infotech Private Limited	34.18	30.56
	Simpliance Technologies Private Limited	1.53	0.10
	Golden Star Facilities and Services Private Limited	-	0.28
	Quessglobal (Malaysia) Sdn. Bhd.	0.33	0.72
	Greenpiece Landscape India Private Limited	1.44	-
	Quess Services Limited	0.07	-
	Terrier Security Services (India) Private Limited	15.04	61.43
Guarantees outstanding			
Subsidiaries	MFX Infotech Private Limited	60.00	60.00
	MFXchange Holdings, Inc.	1,187.56	1,187.56
	Monster.com (India) Private Limited	300.00	300.00
	Excelus Learning Solutions Private Limited	185.16	185.16
	Quesscorp Holdings Pte. Ltd	1,869.52	1,869.52
	Golden Star Facilities and Services Private Limited	350.00	350.00
	Vedang Cellular Services Private Limited	200.00	200.00
	Qdigi Services Limited	400.00	400.00
	Greenpiece Landscape India Private Limited	250.00	250.00
	Quessglobal (Malaysia) SDN. BHD.	16.89	16.89
	Quesscorp Lanka (Private) limited	26.80	26.80
	Terrier Security Services (India) Private Limited	300.00	220.00

(iv) Compensation of key managerial personnel*

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and other employee benefits to whole-time directors and executive officers	47.60	94.79
	47.60	**94.79**

*Managerial remuneration does not include cost of employee benefits such as gratuity, compensated absences and employee share-based payments since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

42 Assets and liabilities relating to employee benefits

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	1,405.82	1,013.50
Liability for compensated absences	29.01	22.14
Total employee benefit liability	**1,434.83**	**1,035.64**
Current (refer note 25)	29.01	22.14
Non-current* (refer note 21)	1,405.82	1,013.50
	1,434.83	**1,035.64**

For details about the related employee benefit expenses, see note 30.

*The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act,1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

A Funding

The Company's gratuity scheme for core employees is administered through a trust with the Life Insurance Corporation of India. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan. The Company has determined that, in accordance with the terms and conditions of gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations.

The Company expects to pay INR 363.72 million contributions to its defined benefit plans in FY 2021-22.

B Reconciliation of net defined benefit liability/assets

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	1,267.61	935.60
Current service cost	264.79	236.58
Interest cost	62.88	61.01
Benefits settled	(55.25)	(27.54)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	63.28	77.59
- Changes in demographic assumptions	-	(27.78)
- Changes in financial assumptions	21.29	21.17
Transfer out	(4.35)	(9.02)
Obligation at the end of the year	**1,620.24**	**1,267.61**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

42 Assets and liabilities relating to employee benefits (Contd..)

B Reconciliation of net defined benefit liability/assets (Contd..)

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	254.11	243.68
Interest income on plan assets	12.62	16.02
Return on plan assets recognised in other comprehensive income	2.95	2.57
Contributions	-	19.38
Benefits settled	(55.25)	(27.54)
Plan assets at the end of the year, at fair value	**214.43**	**254.11**
Net defined benefit liability	**1,405.82**	**1,013.50**

C (i) Expense recognised in the statement of profit or loss

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	264.79	236.58
Interest cost	62.88	61.01
Interest income	(12.62)	(16.02)
Net gratuity cost	**315.04**	**281.57**

(ii) Re-measurement recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Re-measurement of the net defined benefit liability	84.57	70.99
Re-measurement of the net defined benefit asset	(2.95)	(2.57)
	81.62	**68.42**

D Plan assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Funds managed by insurer	214.43	254.11
	214.43	**254.11**

E Defined benefit obligation - actuarial assumptions

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	3.96% - 4.25%	4.96% - 5.00%
Future salary growth	6.00% - 7.50%	6.00% - 7.50%
Attrition rate	50.00% - 80.00%	50.00% - 80.00%
Average duration of defined benefit obligation	1 - 2 years	1 - 2 years

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

42 Assets and liabilities relating to employee benefits (Contd..)

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, the defined benefit obligation would be as shown below:

Core employees

(Amount in INR millions)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (1% movement)	129.53	124.16	127.79	122.68
Future salary growth (1% movement)	124.30	129.33	122.80	127.62
Attrition rate (10% movement)	129.89	124.05	127.98	122.74
Mortality rate (10% movement)	126.79	126.79	125.18	125.19

Associate employees

(Amount in INR millions)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (1% movement)	1,513.26	1,474.13	1,157.45	1,127.78
Future salary growth (1% movement)	1,474.31	1,512.69	1,127.79	1,157.16
Attrition rate (10% movement)	1,570.43	1,431.04	1,219.48	1,084.55
Mortality rate (10% movement)	1,493.19	1,493.69	1,142.18	1,142.67

43 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Company does not have any amounts payable to such enterprises as at 31 March 2021 based on the information received and available with the Company. Also the Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;		
- Principal	10.60	-
- Interest	0.14	-
The amount of interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	0.14	-

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

44 Share-based payments

A Description of share based payment arrangement

At 31 March 2021, the Company has the following the share-based payment arrangements:

Share option plans (equity settled)

IKYA Employee Stock Option Scheme 2009 ("Scheme 2009")

The Board of Directors in its meeting held on 19 November 2009 approved the 'IKYA Employee Stock Option Scheme 2009' ('Scheme 2009'), under which stock options are granted to specified employees of the Company. The Scheme 2009 provides for the issue of 5,200,000 bonus adjusted options with an exercise price of INR 10.00 each that would eventually convert into 5,200,000 equity shares of INR 10.00 each. The options vest over a period of three years and are exercisable only on occurrence of the liquidity event. The Scheme 2009 defines 'liquidity event' as an Initial Public Offering by the Company (or one of its subsidiaries) or dilution of voting right below majority of the existing shareholders. All outstanding options were vested as at 31 March 2015. As at 31 March 2021, the Company has no exercisable options outstanding. (31 March 2020: 132,660).

Quess Corp Limited Employee Stock Option Scheme 2015 ("Scheme 2015")

The Board of Directors in its meeting held on 22 December 2015 approved the 'Quess Corp Limited Employee Stock Option Scheme 2015' ('Scheme 2015'), under which stock options are granted to specified employees of the Company. The Scheme 2015 provides for the issue of not more than 475,000 options (1,900,000 bonus adjusted options) with an exercise price of INR 10.00 each that would eventually convert into equity shares of INR 10.00 each. The options vest over a period of three years and are exercisable over a period of three years from the vesting date of each tranche. As at 31 March 2021, the Company has 68,199 exercisable options outstanding (31 March 2020: 108,067).

Quess Stock Option Plan 2020 ("Scheme 2020")

The Board of Directors in its meeting held on 31 March 2020 approved the Quess Stock Ownership Plan – 2020 ("QSOP 2020"), under which stock options are granted to specific employees of the Company and its subsidiaries. The maximum number of shares under QSOP 2020 shall not exceed 3,650,000 equity shares. The stock options granted under QSOP 2020 shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). These instruments will be equity settled and will generally vest between a minimum of 1 to maximum of 6 years from the grant date. As at 31 March 2021, the Company has no exercisable options outstanding.

B Measurement of fair values

Scheme 2009

The Company does not have any unvested option as at 1 April 2015 under Employee Stock Option Scheme 2009. The Company has elected for the exemption of Employee Share based payment under Ind AS 101 and accordingly fair valuation of vested options prior to 1 April 2015 was not carried out.

Scheme 2015

The fair value of Employee Stock Options has been measured using Black Scholes Model of pricing.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	31 March 2021	31 March 2020
Share price at grant date (INR)	893.95	893.95
Exercise price (INR)	10.00	10.00
Risk free rate of interest	6.20%	6.20%
Expected volatility	33.40%	33.40%
Expected dividend	-	-
Term to maturity	1 - 3 years	1 - 3 years

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

44 Share-based payments (Contd..)

B Measurement of fair values (Contd..)

Scheme 2020

The fair value of Employee Stock Options has been measured using Black Scholes Model of pricing.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	31 March 2021
Weighted average share price at grant date (INR)	195.78
Exercise price (INR)	10.00
Risk free rate of interest	3.58% - 5.49%
Expected volatility	39.54% - 49.42%
Expected dividend	-
Expected life of the option	1 - 6 years
Weighted average fair value at grant date (INR)	187.32

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

C Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

Scheme 2009

(Share price in INR)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
Balance as at the beginning of the year	**1,32,660**	**10.00**	**6,71,340**	**10.00**
Less: Exercised during the year	(97,485)	10.00	(5,38,680)	10.00
Less: Lapsed/ forfeited during the year	(35,175)	10.00	-	-
Options vested and exercisable as at the end of year	**-**	**-**	**1,32,660**	**10.00**

The options outstanding as at 31 March 2021 have an exercise price of INR 10.00 (31 March 2020: INR 10.00) and a weighted average remaining contractual life of nil years (31 March 2020: 1.17 years).

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2021 is INR 242.75 (31 March 2020: INR 10.00).

Details of grant date of options issued under ESOP 2009 scheme:

Grant date	Number of options outstanding as at 1 April 2018
1 December 2009	2,94,800
1 October 2010	3,77,103
21 May 2011	4,28,995
31 May 2012	6,86,690
31 December 2013	1,04,332
Total	**18,91,920**

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44 Share-based payments (Contd..)

Details of grant date of options issued under ESOP 2009 scheme: (Contd..)

Grant date	Number of options outstanding as at 1 April 2018
Less: Options exercised during FY 2017-18	(6,19,925)
Less: Options exercised during FY 2018-19	(6,00,655)
Less: Options exercised during FY 2019-20	(5,38,680)
Less: Options exercised during FY 2020-21	(97,485)
Less: Options lapsed during FY 2020-21	(35,175)
Closing options as at the end of the year	**-**

Scheme 2015

(Share price in INR)

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance as at the beginning of the year	**1,48,441**	**10.00**	**1,64,786**	**10.00**
Less: Exercised during the year	(70,685)	10.00	-	-
Less: Lapsed/ forfeited during the year	(9,557)	10.00	(16,345)	10.00
Balance as at the end of the year	**68,199**	**10.00**	**1,48,441**	**10.00**
Options vested and exercisable as at the end of year	68,199		1,08,067	

The options outstanding as at 31 March 2021 have an exercise price of INR 10.00 (31 March 2020: INR 10.00) and a weighted average remaining contractual life of nil years (31 March 2020: 0.10 years)

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2021 is INR 436.21 (31 March 2020: nil).

Details of Grant date of options issued under ESOP 2015 scheme:

Grant date	Exercise price (INR)	Number of options outstanding as at	
		31 March 2021	31 March 2020
18 August 2017	10.00	68,199	1,48,441

Scheme 2020

(Share price in INR)

Particulars	For the year ended 31 March 2021	
	Number of share options	Weighted average exercise price
Balance as at the beginning of the year	**-**	**-**
Add: Granted during the year	28,35,966	10.00
Less: Lapsed/ forfeited during the year	(2,60,801)	10.00
Balance as at the end of the year	**25,75,165**	**10.00**
Options vested and exercisable as at the end of year	-	

The options outstanding as at 31 March 2021 have an exercise price of INR 10.00 (31 March 2020: nil) and a weighted average remaining contractual life of 2.73 years (31 March 2020: nil)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44 Share-based payments (Contd..)

Details of Grant date of options issued under ESOP 2020 scheme:

Grant date	Exercise price (INR)	Number of options outstanding as at 31 March 2021
11 May 2020	10.00	26,07,535
24 July 2020	10.00	74,141
27 January 2021	10.00	1,54,290

D Expense recognised in standalone statement of profit and loss

For details on the employee benefits expense, refer note 30.

45 Details of non-current investments purchased and sold during the current year:

Investment in equity instruments

(Amount in INR millions except number of shares data)

Particulars	Number of shares acquired	Value per share including premium	As at 1 April 2020	Purchased during the year	Sold during the year	Loss allowance recognised during the year	Adjustment on account of corporate guarantee	As at 31 March 2021
Subsidiaries								
Dependo Logistics Solutions Private Limited	-	-	0.10	-	(0.10)	-	-	-
Terrier Security Services (India) Private Limited*	1,25,000	5,160.00	722.20	645.00	-	-	-	1,367.20
Quess Corp (USA) Inc.	-	USD 4,855,000	6.25	354.81	-	-	-	361.07
Vedang Cellular Services Private Limited	6,853	1,016.89	484.13	6.97	-	-	-	491.10
Quesscorp Holdings Pte. Ltd	-	-	2,287.36	-	-	-	(9.35)	2,278.01
MFXchange Holdings Inc.	-	-	22.76	-	-	-	(5.94)	16.82
Associates								
Heptagon Technologies Private Limited	-	-	112.70	-	-	(112.70)	-	-
Stellarslog Technovation Private Limited	38,431	520.41	-	20.00	-	-	-	20.00

*W.e.f. 27 May 2020, Terrier Security Services (India) Private Limited is a subsidiary of the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

45 Details of non-current investments purchased and sold during the current year: (Contd..)

Investment in convertible debentures ("CCDs")*

(Amount in INR millions except number of shares data)

Particulars	Number of shares acquired	Value per share including premium	As at 1 April 2020	Loans given during the year	Redeemed during the year	Loss allowance recognised during the year	Adjustment on account of corporate guarantee	As at 31 March 2021
Subsidiaries								
Conneqt Business Solutions Limited	-	-	1,470.00	-	(650.00)	-	-	820.00
Dependo Logistics Solutions Private Limited	-	-	120.78	-	(120.78)	-	-	-
Golden Star Facilities and Services Private Limited	-	-	72.23	-	(72.23)	-	-	-
Monster.com (India) Private Limited	-	-	239.85	-	(132.60)	-	-	107.24
MFX Infotech Private Limited	-	-	120.61	-	(120.61)	-	-	-
Trimax Smart Infraprojects Private Limited	-		1,021.76	-	-	(693.99)	-	327.77

*During the year ended 31 March 2021, the Company has converted compulsorily convertible debentures to convertile debentures.

Details of non-current investments purchased and sold during the previous year:

Investment in equity instruments

(Amount in INR millions except number of shares data)

Particulars	Number of shares acquired	Value per share including premium	As at 1 April 2019	Purchased during the year	Sold during the year	Loss allowance recognised during the year	Adjustment on account of corporate guarantee	As at 31 March 2020
Subsidiaries								
Quesscorp Holdings Pte. Ltd	39,99,532	SGD 1	2,053.38	205.94	-	-	28.04	2,287.36
Vedang Cellular Services Private Limited	34,066	2,477	399.76	84.37	-	(297.41)	-	186.72
Conneqt Business Services Private Limited	5,79,55,369	33	1,522.20	1,931.08	-	-	-	3,453.28
Golden Star Facilities and Services Private Limited	3,00,000	1,333.33	378.57	400.00	-	(385.71)	-	392.86
Greenpiece Landscapes India Private Limited	80,000	350.00	216.80	28.01	-	(244.81)	-	-
Qdigi Services Limited	3,49,644	143.00	302.00	50.00	-	-	-	352.00
Quess Services Limited	42,000	83.16	-	3.49	-	-	-	3.49
Trimax Smart Infraprojects Private Limited*	4,900	26,530.61	0.05	130.00	-	(130.05)	-	-
MFXchange Holdings Inc.	-	-	-	-	-	-	22.76	22.76
Associates								
Quess East Bengal FC Private Limited	10,35,000	96.96	100.35	-	-	(100.35)	-	-
Heptagon Technologies Private Limited	834	-	97.70	-	-	-	-	97.70

*W.e.f 15 October 2019, Trimax Smart Infraprojects Private Limited is a subsidiary of the Company.

Notes to the Standalone Financial Statements
for the year ended 31 March 2021

45 Details of non-current investments purchased and sold during the current year: (Contd..)

Investment in compulsorily convertible debentures ("CCDs")**

(Amount in INR millions except number of shares data)

Particulars	Number of shares acquired	Value per share including premium	As at 1 April 2019	Loans given during the year	Sold during the year	Loss allowance recognised during the year	Adjustment on account of corporate guarantee	As at 31 March 2020
Subsidiaries								
Conneqt Business Solutions Limited	1,47,00,000	100.00	-	1,470.00	-	-	-	1,470.00
Dependo Logistics Solutions Private Limited	1,103	109,500.00	-	120.78	-	-	-	120.78
Excelus Learning Solutions Private Limited	4,025	1,00,000.00	-	402.50	-	-	-	402.50
Golden Star Facilities and Services Private Limited	72,230	1,000.00	-	72.23	-	-	-	72.23
Monster.com (India) Private Limited	6,942	34,550.00	-	239.85	-	-	-	239.85
Greenpiece Landscapes India Private Limited	84,431	1,000.00	-	84.43	-	(84.43)	-	-
Trimax Smart Infraprojects Private Limited	1,29,000	10,000.00	-	1,290.00	-	(268.24)	-	1,021.76
MFX Infotech Private Limited	1,20,612	1,000.00	-	120.61	-	-	-	120.61

**During the year ended 31 March 2020, the Company has converted loans, interest receivable and other dues from related parties into CCDs, details of which are summarised in the table below:

(Amount in INR millions)

Particulars	Loans receivables	Interest receivables	Other dues	Total
Conneqt Business Solutions Limited	1,470.00	-	-	1,470.00
Dependo Logistics Solutions Private Limited	107.60	9.93	3.25	120.78
Excelus Learning Solutions Private Limited	386.10	5.19	11.21	402.50
Golden Star Facilities and Services Private Limited	70.20	-	2.03	72.23
Monster.com (India) Private Limited	235.00	-	4.85	239.85
Greenpiece Landscapes India Private Limited	82.56	-	1.87	84.43
Trimax Smart Infraprojects Private Limited	1,109.68	126.11	54.21	1,290.00
MFX Infotech Private Limited	103.20	14.40	3.01	120.61

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

46 Details of loans and advances given during the year under Section 186(4) of the Act:

Movement for the year ended 31 March 2021

(Amount in INR millions)

Particulars	Balance as at 1 April 2020	Loans given during the year	Repaid during the year	Converted into investment in equity shares	Loss allowance recognised during the year	Balance as at 31 March 2021
Subsidiaries						
MFX Infotech Private Limited	5.52	10.74	(5.00)	-	-	11.26
Golden Star Facilities and Services Private Limited	-	26.22	(26.22)	-	-	-
Excelus Learning Solutions Private Limited	8.24	46.63	(36.90)	-	-	17.97
Quess Corp (USA) Inc.	58.89	3.93	(62.82)	-	-	-
Trimax Smart Infraprojects Private Limited	0.34	10.39	(7.15)	-	-	3.58
Dependo Logistics Solutions Private Limited	2.88	1.73	(4.61)	-	-	-
Vedang Cellular Services Private Limited	-	2.65	(2.65)	-	-	-
Greenpiece Landscapes India Private Limited	18.17	41.76	(7.00)	-	-	52.93
Qdigi Services Limited	51.55	78.19	(51.61)	-	-	78.13
Quesscorp Holdings Pte. Ltd	-	-	-	-	-	-
Quess Corp Vietnam Limited Liability Company	7.20	0.48	-	-	-	7.68
Monster.com (India) Private Limited	1.44	12.52	(12.95)	-	-	1.01
Quess Services Limited	2.94	-	-	-	-	2.94
Allsec Technologies Limited	1.52	6.12	(5.63)	-	-	2.01
Conneqt Business Solutions Limited	-	-	-	-	-	-
Quess East Bengal FC Private Limited***	-	35.53	-	-	(35.53)	-
Terrier Security Services (India) Private Limited**	353.78	438.59	(786.28)	-	-	6.09
Associates						
Heptagon Technologies Private Limited	887.35	92.70	(69.87)	(645.00)	-	265.18
Total	**1,399.82**	**808.18**	**(1,078.69)**	**(645.00)**	**(35.53)**	**448.78**

**W.e.f. 27 May 2020, Terrier Security Services (India) Private Limited is a subsidiary of the Company.

***W.e.f. 16 July 2020, Quess East Bengal FC Private Limited is a subsidiary of the Company.

Movement for the year ended 31 March 2020

(Amount in INR millions)

Particulars	Balance as at 1 April 2019	Loans given during the year	Repaid during the year	Converted into compulsorily convertible debentures	Loss allowance recognised during the year	Balance as at 31 March 2020
Subsidiaries						
MFX Infotech Private Limited	110.85	16.22	(3.95)	(117.60)	-	5.52
Golden Star Facilities and Services Private Limited	-	112.31	(42.11)	(70.20)	-	-
Excelus Learning Solutions Private Limited	378.12	29.33	(7.92)	(391.29)	-	8.24

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

46 Details of loans and advances given during the year under Section 186(4) of the Act: (Contd..)

Movement for the year ended 31 March 2020 (Contd..)

(Amount in INR millions)

Particulars	Balance as at 1 April 2019	Loans given during the year	Repaid during the year	Converted into compulsorily convertible debentures	Loss allowance recognised during the year	Balance as at 31 March 2020
Quess Corp (USA) Inc.	51.58	7.31	-	-	-	58.89
Trimax Smart Infraprojects Private Limited*	1,007.26	283.87	(55.00)	(1,235.79)	-	0.34
Dependo Logistics Solutions Private Limited	111.24	196.60	(187.43)	(117.53)	-	2.88
Vedang Cellular Services Private Limited	-	68.60	(68.60)	-	-	-
Greenpiece Landscapes India Private Limited	45.00	97.54	-	(82.56)	(41.81)	18.17
Qdigi Services Limited	0.51	51.04	-	-	-	51.55
Quesscorp Holdings Pte. Ltd	1,020.76	33.32	(1,054.08)	-	-	-
Quess Corp Vietnam Limited Liability Company	7.01	0.19	-	-	-	7.20
Monster.com (India) Private Limited	0.24	236.69	(0.49)	(235.00)	-	1.44
Quess Services Limited	-	2.94	-	-	-	2.94
Allsec Technologies Limited	-	1.52	-	-	-	1.52
Conneqt Business Solutions Limited	43.03	2,059.11	(632.14)	(1,470.00)	-	-
Associates						
Terrier Security Services (India) Private Limited	225.00	684.78	(556.00)	-	-	353.78
Heptagon Technologies Private Limited	775.70	111.65	-	-	-	887.35
Quess East Bengal FC Private Limited	74.42	168.44	-	-	(242.86)	-
Total	**3,850.72**	**4,161.46**	**(2,607.72)**	**(3,719.97)**	**(284.67)**	**1,399.82**

*W.e.f 15 October 2019, Trimax Smart Infraprojects Private Limited is a subsidiary of the Company.

The above unsecured loans are given to subsidiaries at an interest rate equivalent to Government Bond rate and to associates at 10.00% p.a. Loans do not have any fixed term and are receivable on demand. The above loans were given for the purpose of meeting working capital requirements.

47 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statements.

48 Business Acquisition

The Board of Directors of the Company at its meeting held on 25 October 2018, approved the Scheme of Amalgamation ("Scheme A") among Quess 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 A becoming effective the Transferor Companies stands dissolved, all the assets and liabilities of the transferor companies were 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 A, 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 A upon approval by the Administration and Investment committee was filed with NSE and BSE on 27 March 2019 and subsequently with the Ministry of Corporate Affairs ("MCA").

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

48 Business Acquisition (Contd..)

During the year ended 31 March 2020, the Company obtained the approval from the Regional Director, South East Region, Ministry of Corporate Affairs ("MCA") dated 15 November 2019. The appointed date of the Scheme A is 1 April 2019 which is the effective date of the merger approved by MCA. In accordance with the requirements of Ind AS 103, Business Combination and the MCA approved Scheme A, the Company has retrospectively adjusted its financial statements from the periods commencing from 1 April 2018 to give necessary effect of the Scheme A.

49 The Board of Directors of the Company at its meeting held on 18 February 2020 had considered and approved the Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company") with four of its wholly owned subsidiaries viz. Golden Star Facilities and Services Private Limited ("GSFS"), MFX Infotech Private Limited ("MFXI"), Trimax Smart Infraprojects Private Limited ("TSIP"), and Green Piece Landscape India Private Limited ("GLPL") together known as ("Transferor Companies") and their respective shareholders and creditors, subject to the approval of shareholders and other regulatory authorities as may be applicable under the Companies Act, 2013. On 19 March 2021, Regional Director, South-East region, Hyderabad had rejected the Scheme AAA vide Order no. 3/Kar/CP.No.25/RD(SER)/CAA-11/233/2020 based on non-fulfilment of provisions under Section 233(1)(b) of the Companies Act, 2013 ("Act"). The Board has considered and approved new Scheme of Amalgamation on 03 June 2021 among Quess Corp Limited with two of its wholly owned subsidiaries, GLPL and MFXI, under the provisions of Section 230-232 of the Act. The new scheme will be effected in the standalone financial statements once approved by the National Company Law Tribunal ("NCLT").

50 During the year ended 31 March 2020, the Company has sold the HR Compliance Business division ("Coachieve") on a slump sale basis to Allsec Technologies Limited ("Allsec"), a step down subsidiary of the Company. The net liabilities of Coachieve amounting to INR 74.64 million has been transferred for a consideration of INR 168.00 million and the differential amount of INR 242.64 million has been recognised in the capital reserve.

51 On 24 December 2020, Tata Sons Private Limited ("Tata Sons"), remaining shareholder of Conneqt Business Solutions Limited ("CBSL"), a subsidiary of the Company, had exercised the Put Option and has requested the Company to complete the purchase of 44,839,166 equity shares ("Shares") as per the Shareholders Agreement ("the Agreement") dated 20 November 2017. Subsequently on 16 April 2021, the Administration and Investment committee has approved the acquisition of the remaining 30.00% equity stake for a consideration of INR 2,080.00 million. The Company completed the acquisition on the same date, consequent to which CBSL has become a wholly owned subsidiary of the Company.

52 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

53 The Board of Directors in their meeting held on 5 May 2021 have declared an interim dividend of Rs 7 per equity share (par value of Rs 10 each) for the financial year 2020-21 aggregating to INR 1,033.75 million.

54 The Company evaluated subsequent events through 3 June 2021, which is the date on which the financial statements are approved by the Board of Directors. Based on this evaluation, the Company is not aware of any other event or transaction that would require recognition or disclosure in the standalone financial statements.

Independent Auditor's Report

To The Members of **Quess Corp Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Quess Corp Limited ("the Company") and its subsidiaries, (Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit/(loss) in its associates and joint venture company, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the, subsidiaries, associates and joint venture company referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint venture company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

- We draw attention to Note 45.6 of the consolidated financial statements, regarding the demands received by the Company in respect of Provident Fund and the contingency related to the pending litigation on the said matter.
- We draw attention to Note 2.3, 4, 5, 13 and 17 of the consolidated financial statements, which describes the effects of the continuing uncertainty arising from the outbreak of the COVID-19 pandemic on the consolidated financial statements for the year ended March 31, 2021.

Our conclusion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition:** Key Audit Matter Description Revenue from contracts with customers for the year ended March 31, 2021 is Rs 10,837 crores. The Company recognises revenue following five step framework in accordance with IND AS 115 "Revenue from customer contracts". A signed and enforceable contract with customer is a pre-requisite for revenue recognition in accordance with IND AS 115. Management evaluates the terms and conditions of the	**Principal Audit Procedures:** Our audit approach was a combination of test of controls and substantive procedures which included amongst others the following: • Tested the effectiveness of controls relating to recording of revenues based on rates agreed as per signed contracts and confirmation from customers for efforts / resources deployed for a sample of invoices.

Sr. No.	Key Audit Matter	Auditor's Response
	signed contracts prior to recognizing revenue. These contracts are often subject to modification in the form of amendments, change requests, or statements of work (contract modifications), which can occur frequently and may lead to change in timing and measurement of revenue recognition. Revenues from such contracts is recognised and measured based on (1) efforts incurred multiplied by agreed rate in the contract with customers and/ or (2) the number of resources deployed multiplied by agreed rate in the contract with customers Revenue is recognised as the related services are performed in accordance with contractual terms. The Company's invoicing cycle is on contractual pre-determined dates and recognized as receivables based on customer acceptances for delivery of work/ attendance of resources. Revenue for the post billing period is recognized as unbilled revenues. Unbilled revenues are invoiced subsequent to the year-end based on customer acceptances as described above. We considered recording of revenue from customer contracts as key audit matters as there is significant audit effort to ensure that revenue is recorded (1) at the correct time and (2) is based on agreed contractual terms. Refer Notes 2.11 and 33 to the consolidated financial statements.	• For a sample of contracts, tested revenue recognition by agreeing key terms used for recording revenue with terms in the signed contracts and confirmation received from customers for efforts incurred / resources deployed. • For a sample, tested unbilled revenues with subsequent invoicing based on customer acceptances.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Message, Managing Director and Group CEO's Message, CFO's Message, Management discussion and analysis including Financial performance highlights (also, including segment wise performance), Board's Report including annexures to Board's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint venture company and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint venture company and associates, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint venture company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of 33 subsidiaries, whose financial statements reflect total assets of Rs. 17,974.13 million as at March 31, 2021, total revenues of Rs. 30,139.51 million and net cash inflows amounting to Rs. 511.98 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 3.39 million for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of 1 subsidiary, whose financial statements reflect total assets of Rs. 253.63 million as at March 31, 2021, total revenues of Rs. 294.58 million and net cash inflows amounting to Rs. 71.12 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 2.02 million for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 1 associate and 1 joint venture company, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, joint venture company and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, associates and joint venture company entities referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture company incorporated in India, none of the directors of the Group companies, its associate companies and joint venture company incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company, subsidiary companies, associate companies and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture company; or

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; or

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies, associate companies and joint venture company incorporated in India.

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

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN: 21110815AAAACD5193)

Place: Bengaluru
Date: June 3, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Quess Corp Limited (hereinafter referred to as "the Company") and its subsidiary companies, its associate companies and joint venture company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies, its associate companies and joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company, its subsidiary companies, its associate companies and joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 13 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Anand Subramanian
(Partner)
(Membership No. 110815)
(UDIN: 21110815AAAACD5193)

Place: Bengaluru
Date: June 3, 2021

Consolidated Balance Sheet

as at 31 March 2021

(Amount in INR millions)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	1,732.91	2,070.11
Capital work-in-progress	3 (a)	149.81	7.72
Right-of-use assets	3 (b)	2,429.88	3,060.64
Goodwill	4	9,889.50	8,357.79
Other intangible assets	5	995.23	1,381.28
Intangible assets under development	5	159.10	38.65
Investments in equity accounted investees	6	24.44	708.14
Financial assets			
Investments	6	16.55	16.55
Loans	7	1,042.44	1,673.95
Other financial assets	8	632.37	611.83
Deferred tax assets (net)	9	1,289.92	1,831.56
Income tax assets (net)	9	2,771.54	4,334.06
Other non-current assets	10	177.28	178.62
Total non-current assets		**21,310.97**	**24,270.90**
Current assets			
Inventories	11	290.29	283.78
Financial assets			
Investments	12	497.08	333.90
Trade receivables	13	8,944.86	9,982.07
Cash and cash equivalents	14	4,857.19	7,091.24
Bank balances other than cash and cash equivalents above	15	788.49	495.99
Loans	16	225.26	544.05
Unbilled revenue	17	9,050.56	8,812.79
Other financial assets	18	57.42	69.32
Other current assets	19	1,179.99	1,301.17
Total current assets		**25,891.14**	**28,914.31**
Total Assets		**47,202.11**	**53,185.21**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	1,476.79	1,475.11
Other equity	21	21,954.31	21,284.29
Total equity attributable to equity holders of the Company		**23,431.10**	**22,759.40**
Non-controlling interests	22	939.30	769.04
Total equity		**24,370.40**	**23,528.44**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	543.07	1,149.67
Lease liabilities	24	1,778.09	2,194.38
Other financial liabilities	25	2,096.36	2,006.73
Deferred tax liabilities (net)	9	0.44	1.27
Non-current provisions	26	1,981.70	1,460.50
Total non-current liabilities		**6,399.66**	**6,812.55**
Current liabilities			
Financial liabilities			
Borrowings	27	3,971.39	8,826.60
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	28	27.84	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	1,184.64	1,632.57
Lease liabilities	24	974.35	1,048.91
Other financial liabilities	29	6,807.16	7,615.20
Income tax liabilities (net)	30	88.24	71.77
Current provisions	31	139.92	93.47
Other current liabilities	32	3,238.51	3,555.70
Total current liabilities		**16,432.05**	**22,844.22**
Total Liabilities		**22,831.71**	**29,656.77**
Total Equity and Liabilities		**47,202.11**	**53,185.21**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Anand Subramanian
Partner
Membership No.: 110815

Place: Bengaluru
Date: 3 June 2021

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

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer & Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(Amount in INR millions except per share data)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	33	1,08,368.95	1,09,914.82
Other income	34	450.90	510.89
Total income		**1,08,819.85**	**1,10,425.71**
Expenses			
Cost of material and stores and spare parts consumed	35	2,007.49	2,670.55
Employee benefit expenses	36	92,968.43	90,634.38
Finance costs	37	1,112.93	1,668.01
Depreciation and amortisation expense	38	2,285.28	2,486.07
Other expenses	39	8,811.93	10,031.87
Total expenses		**1,07,186.06**	**1,07,490.88**
Profit before share of (loss)/profit of equity accounted investees, exceptional items and income tax		**1,633.79**	**2,934.83**
Share of Profit/(Loss) of equity accounted investees (net of income tax)	6	(114.27)	(138.33)
(Loss)/Profit before exceptional items and tax		**1,519.52**	**2,796.50**
Exceptional items	40	(326.89)	6,640.52
Profit/(Loss) before tax		**1,846.41**	**(3,844.02)**
Tax (expense)/credit			
Current tax: Minimum Alternative Tax ('MAT') for the year	9	(423.29)	(335.14)
Tax relating to earlier years	9	(68.21)	(2.76)
Deferred tax (including MAT credit entitlement)	9	(618.02)	(136.86)
Total tax expense		**(1,109.52)**	**(474.76)**
Profit/(Loss) for the year		**736.89**	**(4,318.78)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement losses on defined benefit plans	49	(78.10)	(143.80)
Share of other comprehensive income of equity accounted investees (net of income tax)	6	(5.33)	(36.81)
Income tax relating to items that will not be reclassified to profit or loss	9	21.68	34.82
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating financial statements of foreign operations		45.99	243.23
Other comprehensive (loss)/income for the year, net of income tax		**(15.76)**	**97.44**
Total comprehensive income/(loss) for the year		**721.13**	**(4,221.34)**
Profit/(Loss) attributable to			
Owners of the Company		578.77	(4,446.93)
Non-controlling interests		158.12	128.15
Total profit/(loss) for the year		**736.89**	**(4,318.78)**
Other comprehensive income attributable to			
Owners of the Company		(26.80)	82.80
Non-controlling interests		11.04	14.64
Total other comprehensive income for the year		**(15.76)**	**97.44**
Total comprehensive income/(loss) attributable to :			
Owners of the Company		551.97	(4,364.13)
Non-controlling interests		169.16	142.79
Total comprehensive income/(loss) for the year		**721.13**	**(4,221.34)**
Earnings/(Loss) per equity share (face value of INR 10.00 each)			
Basic (in INR)	46	3.92	(30.28)
Diluted (in INR)	46	3.87	(30.22)

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

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

Anand Subramanian
Partner
Membership No.: 110815

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer & Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Place: Bengaluru
Date: 3 June 2021

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(A) Equity share capital

(Amount in INR millions)

Particulars	Note	31 March 2021	31 March 2020
Opening balance	20	1,475.11	1,460.85
Changes in equity share capital	20	1.68	14.26
Closing balance		**1,476.79**	**1,475.11**

(B) Other equity

(Amount in INR millions)

Particulars	Note	Reserves and surplus							Items of other comprehensive income		Total attributable to equity holders of the Company	Attributable to non-controlling interests	Total equity
		Securities premium	Retained earnings	Capital reserve	General reserve	Capital redemption reserve	Stock options outstanding account	Debenture redemption reserve	Foreign currency translation reserve	Others			
Balance as at 1 April 2019		**16,851.09**	**8,471.36**	**4.47**	**21.56**	**150.00**	**116.21**	**168.75**	**21.65**	**(10.08)**	**25,795.01**	**30.99**	**25,826.00**
Total comprehensive income for the year ended 31 March 2020													
Loss for the year		-	(4,446.93)	-	-	-	-	-	-	-	(4,446.93)	128.15	(4,318.78)
Other comprehensive income/(loss) (net of tax)		-	-	-	-	-	-	-	226.14	(143.34)	82.80	14.64	97.44
Total comprehensive loss		**-**	**(4,446.93)**	**-**	**-**	**-**	**-**	**-**	**226.14**	**(143.34)**	**(4,364.13)**	**142.79**	**(4,221.34)**
Transferred to debenture redemption reserve	21	-	(37.50)	-	-	-	-	37.50	-	-	-	-	-
Transfer on account of redemption of NCD's	21	-	103.12	-	-	-	-	(103.12)	-	-	-	-	-
Non-controlling interests on acquisition of subsidiaries	22	-	-	-	-	-	-	-	-	-	-	1,036.04	1,036.04
Issue costs on Merger	21	(369.04)	-	-	-	-	-	-	-	-	(369.04)	-	(369.04)
Effect of TCIL merger accounted as "Common control"	21	-	-	(7.80)	-	-	-	-	-	-	(7.80)	-	(7.80)
Transactions with owners, recorded directly in equity													
Contributions by owners													
Share based payments	21	-	-	-	-	-	18.77	-	-	-	18.77	-	18.77
Transaction with non-controlling interest													
Acquisition of additional stake in subsidiaries	22	-	(282.80)	-	-	-	-	-	-	-	(282.80)	(304.84)	(587.64)
Dividend and dividend distribution tax paid	22	-	(8.18)	-	-	-	-	-	-	-	(8.18)	(135.94)	(144.12)
Preferential allotment of equity shares	21	502.46	-	-	-	-	-	-	-	-	502.46	-	502.46
Total contributions by owners		**502.46**	**(290.98)**	**-**	**-**	**-**	**18.77**	**-**	**-**	**-**	**230.25**	**(440.78)**	**(210.53)**
Balance as at 31 March 2020		**16,984.51**	**3,799.07**	**(3.33)**	**21.56**	**150.00**	**134.98**	**103.13**	**247.79**	**(153.42)**	**21,284.29**	**769.04**	**22,053.33**

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

(B) Other equity (Contd..)

(Amount in INR millions)

Particulars	Note	Reserves and surplus							Items of other comprehensive income		Total attributable to equity holders of the Company	Attributable to non-controlling interests	Total equity
		Securities premium	Retained earnings	Capital reserve	General reserve	Capital redemption reserve	Stock options outstanding account	Debenture redemption reserve	Foreign currency translation reserve	Others			
Balance as at 1 April 2020		**16,984.51**	**3,799.07**	**(3.33)**	**21.56**	**150.00**	**134.98**	**103.13**	**247.79**	**(153.42)**	**21,284.29**	**769.04**	**22,053.33**
Total comprehensive income for the year ended 31 March 2021													
Profit for the year		-	578.77	-	-	-	-	-	-	-	578.77	158.12	736.89
Other comprehensive income/(loss) (net of tax)		-	-	-	-	-	-	-	39.98	(66.78)	(26.80)	11.04	(15.76)
Total comprehensive income		**-**	**578.77**	**-**	**-**	**-**	**-**	**-**	**39.98**	**(66.78)**	**551.97**	**169.16**	**721.13**
Transfer on account of redemption of NCD's	21	-	103.13	-	-	-	-	(103.13)	-	-	-	-	-
Non-controlling interests on acquisition of subsidiaries	22	-	-	-	-	-	-	-	-	-	-	1.10	1.10
Transactions with owners, recorded directly in equity													
Contributions by owners													
Share based payments	21	-	-	-	-	-	118.02	-	-	-	118.02	-	118.02
Total contributions by owners		**-**	**-**	**-**	**-**	**-**	**118.02**	**-**	**-**	**-**	**118.02**	**-**	**118.02**
Balance as at 31 March 2021		**16,984.51**	**4,480.97**	**(3.33)**	**21.56**	**150.00**	**253.00**	**-**	**287.80**	**(220.20)**	**21,954.31**	**939.30**	**22,893.61**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Anand Subramanian
Partner
Membership No.: 110815

Place: Bengaluru
Date: 3 June 2021

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

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer & Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities		
Profit/(Loss) after tax	736.89	(4,318.78)
Adjustments to reconcile net profit/(loss) to net cash provided by operating activities:		
Tax expense	1,109.52	474.76
Exceptional items [refer note 40]	(326.89)	6,640.52
Interest income on term deposits	(60.35)	(95.85)
Amortised cost adjustments for financial instruments	(21.76)	(32.87)
Loss on sale of property, plant and equipment, net	0.62	31.49
Interest on loans given to related parties	(8.76)	(196.62)
Net gain on sale of investments in mutual funds	(3.50)	(66.04)
Liabilities no longer required written back	(0.43)	(16.32)
Change in fair value of contingent consideration	-	(18.50)
Net fair value (loss)/gains on mutual funds	(15.74)	37.27
Expense on employee stock option scheme	118.02	18.77
Finance costs	1,112.93	1,668.01
Depreciation and amortisation expense	2,285.28	2,486.07
Loss allowance on financial assets, net	1,225.02	235.86
Deposits written off	2.13	71.28
Interest on income tax refunds	(311.20)	-
Rent concession	(85.83)	-
Foreign exchange gain, net	99.54	(64.43)
Share of (profit)/loss of equity accounted investees	114.27	138.33
Operating profit before working capital changes	**5,969.77**	**6,992.95**
Changes in operating assets and liabilities		
Changes in inventories	(0.44)	(62.96)
Changes in trade receivables and unbilled revenue	417.03	(292.46)
Changes in loans, other financial assets and other assets	82.14	(103.21)
Changes in trade payables	(988.64)	(781.83)
Changes in other financial liabilities, other liabilities and provisions	26.23	(692.92)
Cash generated from operations	**5,506.09**	**5,059.57**
Income taxes paid, net of refund	1,647.51	(1,448.59)
Net cash flows from operating activities (A)	**7,153.60**	**3,610.98**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(613.46)	(568.83)
Acquisition of shares in subsidiaries net of acquisition date cash and cash equivalents of subsidiaries	137.76	(1,873.47)
Investment in associates	(20.00)	-
Investments in mutual fund, net	(187.95)	-
Proceeds from sale of mutual fund units	44.11	731.98
Bank deposits (having original maturity of more than three months),net	(372.61)	393.68
Loans given to associates	(197.53)	(1,095.01)
Repayment of loans by associates	102.87	580.65
Interest received on term deposits	43.39	95.24
Net cash (used in)/from investing activities (B)	**(1,063.42)**	**(1,735.76)**

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	31 March 2020
Cash flows from financing activities		
Proceeds from/(repayments of) vehicle loan, net	(8.33)	0.24
Repayment of lease liabilities	(1,242.32)	(1,481.05)
Proceeds from term loans	-	2,243.24
Repayment of term loans	(698.44)	(1,231.02)
Redemption of non-convertible debentures	(750.00)	(750.00)
Proceeds from current borrowings	38,029.67	43,010.22
Repayments of current borrowings	(42,884.89)	(39,262.91)
Payment towards acquisition of non-controlling interest	(45.59)	(1,243.64)
Loans repaid to related parties	-	(332.11)
Proceeds from issue of equity shares, net of issue expenses	-	477.98
Shares issued on exercise of employee stock options	1.68	5.39
Payment of dividend to non-controlling interest of subsidiary	-	(144.09)
Interest paid	(737.32)	(1,157.69)
Net cash from/(used in) financing activities (C)	**(8,335.53)**	**134.56**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,245.35)	2,009.78
Cash and cash equivalents at the beginning of the year	7,091.24	5,047.74
Effect of exchange rate fluctuations on cash and cash equivalents	11.30	33.72
Cash and cash equivalents at the end of the year (refer note 14)	**4,857.19**	**7,091.24**

Components of cash and cash equivalents (refer note 14)

(Amount in INR millions)

Particulars	As at 31 March 2021	31 March 2020
Cash and cash equivalents		
Cash in hand	6.39	7.87
Balances with banks		
In current accounts	4,573.52	6,784.89
In EEFC accounts	19.84	238.65
In deposit accounts (with original maturity of less than 3 months)	257.44	59.83
Cash and cash equivalents as per consolidated balance sheet	**4,857.19**	**7,091.24**

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached
for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Anand Subramanian
Partner
Membership No.: 110815

Place: Bengaluru
Date: 3 June 2021

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

Ajit Isaac
Executive Chairman
DIN: 00087168

K. Suraj Moraje
Group Chief Executive Officer
& Managing Director
DIN: 08594844

N. Ravi Vishwanath
Chief Financial Officer

Kundan K. Lal
Company Secretary
Membership No.: F8393

Place: Bengaluru
Date: 3 June 2021

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

1. Company overview

Quess Corp Limited ('the Company'), together with its subsidiaries, collective referred to as the "Group", is a public limited company incorporated and domiciled in India. The registered office of the Company is located in Bengaluru, Karnataka, India. These consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint venture. The Group is engaged in the business of providing services in Workforce Management, Operating Asset Management and Global Technology Solutions.

The Company undertook an initial public offer of equity shares and subsequently got its equity shares listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) effective 12 July 2016.

Thomas Cook (India) Limited ("TCIL") became the parent company and Fairfax Financial Holding Limited ('FFHL') became the ultimate holding company of the Group with effect from 14 May 2013. However, Thomas Cook (India) Limited ("TCIL") ceased to be the parent company and Fairfax Financial Holding Limited ('FFHL') ceased to be the ultimate holding company of Quess Corp Limited with effect from 1 March 2018.

2. Basis of preparation

2.1 Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on 03 June 2021.

The consolidated financial statements are presented in Indian Rupees ("INR") which is also the Group's functional currency and all amounts have been rounded off to the nearest millions.

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the following:

i. Certain financial assets and liabilities that are qualified to be measured at fair value (refer accounting policy on financial instruments).

ii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations ("DBO") and

iii. Expenses relating to share based payments are measured at fair value on the date of grant.

iv. Contingent consideration in business combinations are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Basis of consolidation:

The financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group. Non-controlling interest ("NCI") which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

In case where the Group has written a put option with NCI in an existing subsidiary on their equity interest in that subsidiary then the Group evaluates access to the returns associated with the ownership interest. In case NCI still have present access to returns associated with the underlying ownership interest, then the Group has elected to account for put option as per the anticipated-acquisition method. Under the anticipated-acquisition method the put option is accounted for as an anticipated acquisition of the underlying NCI. This is independent of how the exercise price is determined (e.g. fixed or variable) and how likely it is that the option will be exercised. Subsequent to initial recognition, any changes in the carrying amount of the put liability is accounted through consolidated statement of profit and loss account.

Change in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Associates are entities over which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated Ind AS financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. The Group's investment in equity accounted investees includes goodwill identified on acquisition.

Operating cycle for the business activities of the Company covers the duration of the specific project or contract and extends up to the realisation of receivables within the agreed credit period normally applicable to the respective lines of business. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months except for Training and skill development business. For Training and skill development business the duration of operating cycle has been concluded as 15 - 18 months, depending on the projects, considering the time from mobilization of candidates till funds are released by relevant government authorities.

2.3 Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected. The following are the significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements:

The Group's business operations for the quarter and year ended 31 March 2021 continue to be affected by the COVID-19 pandemic. The duration of the pandemic and its consequential economic and financial impact continue to remain highly uncertain. As a result of these developments, the Group considered the possible effects that may result from the pandemic in preparation of the financial statements including evaluating the recoverability of financial assets and non-financial assets particularly, trade receivables, unbilled revenues, goodwill, intangible assets, investments and loans granted associates.

The Group has exercised judgements and applied assumptions in relation to these assets and in developing the assumptions relating to the possible future uncertainties in the economic conditions arising from this pandemic. The Group, as on date of approval of these consolidated audited financial statements has used internal and external sources of information to the extent available, and based on current estimates expects the net carrying amount of these assets to be recovered. These assumptions are subject to change in future as events unfold within the uncertain environment (refer note 4 (i), 13.1 and 17.1)

i) ***Income taxes:*** Significant judgments are involved in determining provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. The ultimate realisation of deferred income tax assets, including Minimum Alternate Tax (MAT), is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities and the projected future taxable income in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

ii) ***Measurement of defined benefit obligations:*** For defined benefit obligations, the cost of providing benefits is determined based on actuarial valuation. An actuarial valuation is based on significant assumptions which are reviewed on a periodic basis.

iii) ***Impairment of financial assets:*** In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and unbilled revenues. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable and contract assets. Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers.

The provision matrix for non-government customers is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. The provision matrix for government customers is primarily based on the time based movement within the life cycle of customer receivable further adjusted for forward-looking estimates

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit and loss during the period.

iv) ***Property, plant and equipment and intangible assets:*** The useful lives of property, plant and equipment and intangible assets are determined by the management at the time the asset is acquired and reviewed periodically. Ind AS 103 requires the identifiable intangible assets acquired in business combinations to be fair valued and significant estimates are required to be made in determining the value of intangible assets. These valuations are conducted by independent experts.

v) ***Other estimates:*** Non-financial assets are tested for impairment by determining the recoverable amount. Determination of recoverable amount is based on value in use, which is present value of future cash flows. The key inputs used in the present value calculations include the expected future growth in operating revenues and margins in the forecast period, long-term growth rates and discount rates.

2.4 Measurement of fair values

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the fair value measurements are observable and significance of the inputs to fair value measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In determining the fair value of an asset or a liability, the Group uses different methods and assumptions based on observable market inputs. All methods of assessing fair value result in general approximation of value, and such value may not actually be realized.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments

2.5 Business Combinations

Business combinations (other than common control business combinations):

In accordance with Ind AS 103, the Group accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill:

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognized as goodwill. If the excess is negative, it is considered as a bargain purchase gain. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase. Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

Other intangible assets:

Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

be made in determining the value of contingent consideration and intangible assets.

These valuations are conducted by independent valuation experts. Brand, customer contracts and customer relationships acquired as part of business combinations are capitalised as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Business combinations (Common control transactions):

In accordance with Ind AS 103, the Group accounts for common control transaction using pooling of interests method. It is accounted for at carrying value of the assets and liabilities in the Group's consolidated financial statements. The transaction does not have any impact on the consolidated financial statement.

2.6 Property, plant and equipment

i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management.

The cost and related accumulated depreciation are derecognized from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is classified as capital advances under other non-current assets and the cost of the assets not ready for intended use are disclosed under 'Capital work-in-progress'.

ii) Depreciation:

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Asset category	Estimated useful life
Buildings	20 years
Furniture and fixtures	4 - 7 years
Vehicles	3 years
Office equipment	4 - 5 years
Plant and machinery	3 - 8 years
Computer equipment	3 - 7 years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Leasehold improvements are depreciated over lease term or estimated useful life whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed periodically, including at each financial year end.

2.7 Intangible assets

(i) Recognition and measurement

Internally generated: Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Others

Other intangible assets such as computer software, copyright and trademarks are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated software is recognised in the statement of profit and loss as and when incurred.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(iii) Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Asset category	Estimated useful life
Brand	2 - 15 years
Computer software	3 years
Computer software – Leased	Lease term or estimated useful life of, whichever is lower
Copyright and trademarks	3 years
Customer contracts	1.5 - 3 years
Customer relationships	5 - 10 years
IP technology	3 years
Non-compete	4 years
Resume database	5 years

2.8 Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it's carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment more frequently.

2.9 Leases

The Group as a lessee:

The Group's lease asset classes primarily consist of leases for building's and equipment's. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

2.10 Inventories

Inventories (raw materials and stores and spares) are valued at lower of cost and net realisable value. Cost of inventories comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

2.11 Revenue recognition

The Group derives revenue primarily from staffing services in the segments of Workforce management, Operating asset management and Global technology solutions.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over goods or services to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered.

Revenue on time-and-material contracts are recognized as the related services are rendered and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance).

a) Workforce management:

Revenue from staffing services i.e. salary and incidental expenses of associates along with the service charges are recognised in accordance with the agreed terms as the related services are rendered.

Revenue from recruitment services are recognised when the candidate begins full time employment.

Revenue from executive research and trainings are recognised on rendering of the related services.

Revenue from training services are recognised over the period of training.

b) Operating asset management:

Revenue from facility management, food services, industrial operations and maintenance are at a fixed rate and are recognized as per the terms of the arrangement with the customers. Where the performance obligations are satisfied over time and control is transferred over time, revenues are recognized over time as per the percentage-of-completion.

Certain arrangements are on time and material basis and revenues are recognised as the related services are rendered as per the terms of the arrangement with the customers.

Revenues are shown net of goods and services tax and applicable discounts and allowances. The Group accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.

c) Global technology solutions:

Revenue under this segment including business process outsourcing and call center services is recognised on the basis of services rendered. Revenue is recognised upon transfer of control of promised products or services to customers at an amount that reflects the consideration

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

which the Group expects to receive in exchange for those products or services.

Revenue from subscription fees is recognised pro-rata over the underlying subscription period. In relation to the advertising contracts, revenue is recognised over the contract period based on the contract terms.

Other income

Other income comprises primarily interest income on deposits, dividend income and gain/ (loss) on disposal of financial assets and non-financial assets. Interest income is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.12 Investments in associates

Investment in equity instruments issued by associates are measured at cost less impairment. Dividend income from associates is recognised when its right to receive the dividend is established. The acquired investment in associates are measured at acquisition date fair value.

2.13 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the respective transactions. Foreign-currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and such translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

The assets and liabilities of foreign operations (subsidiaries and joint venture) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the consolidated statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

2.14 Financial instruments

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Financial assets

(i) Classification and subsequent measurement

For the purpose of subsequent measurement, a financial asset is classified and measured at

- amortised cost;
- fair value through other comprehensive income (FVTOCI) - debt investment;
- fair value through other comprehensive income (FVTOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

1. A financial asset is measured at amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

2. A debt investment is measured at FVTOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets ; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3. On initial recognition of an equity investment that is not held for trading, the Group irrevocably elects to present subsequent changes in the fair value in OCI (designated as FVTOCI-equity investment). This election is made on an investment-to-investment basis.

4. All financial assets not classified as amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
Equity investments at FVOCI recognised	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of profit and loss.

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit and loss during the period.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(ii) Derecognition of financial assets

A financial asset is derecognised only when the Group:

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

c) Financial liabilities

(i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(ii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified party fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially recognised at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amortisation.

(iii) Derecognition

A financial liability is derecognised when the Group's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Employee benefits

a) Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Short-term employee benefits are measured on an undiscounted basis as the related service is provided.

b) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

c) Defined contribution plan

Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The Group makes specified monthly contributions towards Employee Provident Fund to Government administered Provident

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Fund Scheme which is a defined contribution plan. The expenditure for defined contribution plan is recognized as expense during the period when the employee provides service.

d) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Group. The Group's gratuity fund is managed by Life Insurance Corporation of India (LIC). The present value of gratuity obligation under such defined benefit plan is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Actuarial gains or losses are recognised in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognised in the statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to the statement of profit and loss in subsequent periods.

Ind AS 19 'Employee Benefits' amendment in connection with accounting for plan amendments, curtailments and settlements requires an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

2.16 Share-based payments

Equity instruments granted to the employees of the Group are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity (stock options outstanding account). The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

2.17 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be used. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Minimum alternative tax ('MAT') paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if it is probable that the Group will pay normal income tax in future years. Ind AS 12 defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the consolidated balance sheet.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments is to be applied while performing the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The group has evaluated the effect and concluded that there is no impact of these amendments on the Company's consolidated financial statements.

On 30 March 2019, Ind AS 12 'Income Taxes' was amended, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. On 1 April 2019, the Group adopted these amendments and there was no impact of these amendments on the Company's consolidated financial statements.

2.18 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

2.19 Contingent liability

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash on hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.22 Earnings per share

Basic earnings per share is computed by dividing the net profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

2.23 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Workforce management, Operating asset management and Global technology solutions.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3(a) Property, plant and equipment and capital work-in-progress

(Amount in INR millions)

Particulars	Land	Buildings	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Plant and machinery	Computer equipment	Computer equipment Leased	Total Property, plant and equipment	Total Capital work-in-progress
Gross carrying amount as at 1 April 2019	**470.00**	**354.39**	**395.70**	**269.86**	**104.95**	**462.36**	**635.32**	**1,638.09**	**306.30**	**4,636.97**	**3.37**
Additions through business combination	-	-	18.70	22.01	32.42	27.49	53.34	55.85	-	209.81	-
Additions	-	-	31.40	40.24	18.14	72.02	49.77	243.30	-	454.87	11.59
Disposals	-	-	(12.56)	(9.27)	(35.05)	(25.02)	(127.18)	(16.45)	-	(225.53)	(7.30)
Reclassified to Right-of-use assets	-	-	-	-	-	-	-	124.58	(329.82)	(205.24)	-
Translation differences#	-	-	20.24	4.75	-	0.93	-	43.58	23.52	93.02	0.06
Balance as at 31 March 2020	**470.00**	**354.39**	**453.48**	**327.59**	**120.46**	**537.78**	**611.25**	**2,088.95**	**-**	**4,963.90**	**7.72**
Additions through business combination	-	-	12.25	18.12	14.50	15.99	4.00	24.13	-	88.99	-
Additions	-	-	38.56	5.46	9.36	19.93	37.52	149.94	-	260.77	157.61
Disposals	-	-	(6.04)	(5.51)	(38.54)	(16.86)	(31.40)	(5.27)	-	(103.62)	(15.99)
Translation differences#	-	-	(0.33)	(1.67)	-	2.39	(0.01)	(6.05)	-	(5.67)	-
Balance as at 31 March 2021	**470.00**	**354.39**	**497.92**	**343.99**	**105.78**	**559.23**	**621.36**	**2,251.70**	**-**	**5,204.37**	**149.81**
Accumulated depreciation as at 1 April 2019	**-**	**18.51**	**268.74**	**143.59**	**52.77**	**218.47**	**318.67**	**1,075.62**	**186.17**	**2,282.54**	**-**
Additions through business combination	-	-	15.11	16.84	14.65	10.38	29.14	23.50	-	109.62	-
Depreciation for the year	-	5.96	55.70	53.52	24.53	90.81	98.00	325.44	-	653.96	-
Reclassified to Right-of-use assets	-	-	-	-	-	-	-	83.05	(200.46)	(117.41)	-
Disposals	-	-	(9.45)	(8.68)	(25.17)	(23.30)	(34.79)	(16.38)	-	(117.77)	-
Translation differences#	-	-	17.95	3.73	-	0.69	-	46.19	14.29	82.85	-
Accumulated depreciation as at 31 March 2020	**-**	**24.47**	**348.05**	**209.00**	**66.78**	**297.05**	**411.02**	**1,537.42**	**-**	**2,893.79**	**-**
Additions through business combination	-	-	6.99	10.90	14.41	8.61	3.61	17.13	-	61.65	-
Depreciation for the year	-	5.96	51.61	41.48	16.91	80.25	70.29	326.28	-	592.78	-
Disposals	-	-	(5.83)	(3.37)	(29.72)	(9.16)	(14.95)	(3.17)	-	(66.20)	-
Translation differences#	-	-	(3.74)	(1.39)	-	2.00	-	(7.43)	-	(10.56)	-
Accumulated depreciation as at 31 March 2021	**-**	**30.43**	**397.08**	**256.62**	**68.38**	**378.75**	**469.97**	**1,870.23**	**-**	**3,471.46**	**-**
Net carrying amount											
As at 31 March 2021	**470.00**	**323.96**	**100.84**	**87.37**	**37.40**	**180.48**	**151.39**	**381.47**	**-**	**1,732.91**	**149.81**
As at 31 March 2020	**470.00**	**329.92**	**105.43**	**118.59**	**53.68**	**240.73**	**200.23**	**551.53**	**-**	**2,070.11**	**7.72**

#Represents translation of tangible assets of foreign operations into Indian Rupees.

No impairment loss has been recognised during the current year or previous year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

3 (b) Right-of-use assets

(Amount in INR millions)

Particulars	Buildings	Equipments	Total Right-of-use assets
Initial recognition pursuant to adoption of Ind AS 116 (refer note 24)	**2,421.98**	**369.25**	**2,791.23**
Additions through business combination	301.75	-	301.75
Additions	1,201.41	114.53	1,315.94
Disposals	(39.41)	-	(39.41)
Translation differences#	18.55	6.51	25.06
Balance as at 31 March 2020	**3,904.28**	**490.29**	**4,394.57**
Additions through business combination	53.50	-	53.50
Additions	755.13	73.07	828.20
Disposals	(423.56)	(2.05)	(425.61)
Translation differences#	9.23	(8.85)	0.38
Balance as at 31 March 2021	**4,298.58**	**552.46**	**4,851.04**
Additions through business combination	24.42	-	24.42
Depreciation for the year	1,038.52	157.36	1,195.88
Regrouped on account of adoption of Ind AS 116	-	112.89	112.89
Disposals	(7.48)	-	(7.48)
Translation differences#	4.24	3.98	8.22
Accumulated depreciation as at 31 March 2020	**1,059.70**	**274.23**	**1,333.93**
Additions through business combination	21.02	-	21.02
Depreciation for the year	1,082.46	138.89	1,221.35
Disposals	(147.28)	-	(147.28)
Translation differences#	(1.20)	(6.66)	(7.86)
Accumulated depreciation as at 31 March 2021	**2,014.70**	**406.46**	**2,421.16**
Net carrying amount			
As at 31 March 2021	**2,283.88**	**146.00**	**2,429.88**
As at 31 March 2020	**2,844.58**	**216.06**	**3,060.64**

#Represents translation of tangible assets of foreign operations into Indian Rupees.

No impairment loss has been recognised during the current year or previous year.

4 Goodwill

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying value at the beginning of the year	8,357.79	11,768.64
Add: Goodwill on acquisition of:		
Allsec Technologies Limited [refer note 4 (ii) (b)]	-	1,067.44
Trimax Smart Infraprojects Private Limited [refer note 4 (ii) (c)]	-	398.29
Terrier Security Services (India) Private Limited [refer note 4 (ii) (a)]	1,500.93	-
Less: Impairment charge [refer note 4 (i)]	-	(5,062.86)
Translation differences	30.78	186.28
Carrying value at the end of the year	**9,889.50**	**8,357.79**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

4 Goodwill

The allocation of goodwill to the operating segments is as follows:

(Amount in INR millions)

Operating segments	As at 31 March 2021	As at 31 March 2020
Workforce management	2,172.06	2,137.23
Operating asset management	4,570.00	3,069.07
Global Technology Solutions	3,147.44	3,151.49

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a cash generating unit (CGU), which benefit from synergies of the acquisitions.

The goodwill on acquisition of entities during the current year and previous year has been allocated to operating segments as follows:

Entity acquired	Allocated operating segment
Allsec Technologies Limited	Global Technology Solutions
Terrier Security Services (India) Private Limited	Operating asset management

4 (i) Impairment testing

The Group tests goodwill for impairment annually on 31 December or more frequently based on an impairment indicator. Impairment is determined by assessing the recoverable amount of cash generating unit ("CGU") (or group of CGUs) to which the investment or goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. The recoverable amount is determined based on higher of value-in-use and fair value less cost of sale of CGU. Value-in-use is calculated using a discounted cash flow approach.

The range of other key assumptions used by the Group for impairment assessment are captured in the table below:

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate (pre-tax)	12.29% - 26.92%	16.07% - 29.01%
Terminal growth rate	2.00% - 4.00%	2.00% - 4.00%
Operating margins	2.60% - 20.20%	-10.00% - 25.10%

As at 31 March 2021, the estimated recoverable value amount of each of the CGU's exceeded its carrying amount and hence impairment is not triggered. The carrying amount of the CGU was computed by allocating the net assets to CGU's for the purpose of impairment testing. The management has performed sensitivity analysis around the base assumptions for the CGU where the carrying value of investments, intangibles and goodwill are not impaired and concluded that no reasonably possible changes in key assumptions would result in the recoverable amount of the CGU to be lesser than the carrying value.

For the purpose of assessing the recoverable value of goodwill of INR 9,889.50 million and intangible assets of INR 760.44 million and investments in and loans granted to associate companies of INR 369.61 million, significant revised judgment was applied (adjusted for current business and market conditions) during the quarter in certain cases while finalising assumptions on growth in revenues, EBITDA and discount rates.

During the year ended 31 March 2020, the Group had INR 13,420.65 million of goodwill and INR 2,359.02 of intangible assets allocated to the Group's CGU's. The Group performed an impairment analysis for its CGU's and considered the impact of COVID-19 and uncertainties in future economic condition caused by the pandemic in the determination of recoverable amounts.

Consequent to the impairment analysis, the Group impaired INR 5,062.86 million of goodwill as shown in the table below and INR 1,334.81 million of intangible assets as shown in note 5 during the year ended 31 March 2020. The impairment is presented as an exceptional items in the financial statements (refer note 40).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

4 (i) Impairment testing (Contd..)

Details of impairment loss allowances are summarized below.

(Amount in INR millions)

Particulars	Carrying value of Goodwill as at the date of impairment testing	Impairment	Carrying value as at 31 March 2020
Allsec Technologies Limited [refer note 4 (ii) (b)]	1,067.44	503.32	564.12
Greenpiece Landscapes India Private Limited	250.68	250.68	-
MFXchange Holdings Inc.	1,026.40	519.36	507.04
Identified business of Manipal Integrated Services, including two of its subsidiaries	6,088.96	3,120.94	2,968.02
Vedang Cellular Services Private Limited	270.27	270.27	-
Trimax Smart Infraprojects Private Limited [refer note 4 (ii) (c)]	398.29	398.29	-
Total	**9,102.04**	**5,062.86**	**4,039.18**

The discount rate used in the discounted cash flow approach is the risk adjusted weighted average cost of capital applicable to respective CGUs. The cash flow projections used for assessing the 'value in use' are based on the most recent long-term forecast approved by management. The long-term forecast includes management's latest estimate on Revenues and Operating cash flows. The period of projections is for five years and based on financial budgets/ forecasts which considers historical experience adjusted for uncertainties applicable for respective CGU's. The cash flows beyond the forecast period are extrapolated using appropriate long term terminal growth rates. The long term terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which the CGU operates and are consistent with internal/external sources of information.

Key judgments in determining the discounted cash flows included the anticipated reduction in revenues and EBITDA due to COVID-19 and the time to recovery post COVID-19. In developing the assumptions relating to the recoverable amounts, the Group considered both internal and external information as appropriate. The Group will continue to monitor future economic conditions for any significant changes to key assumptions. If the assumptions considered change in future, due to possible effect of uncertainties due to COVID-19, this could result in additional impairments the effects of which may not have been estimated as at the date of the approval of these Consolidated financial statements. Such changes, if any, will be prospectively recognised.

The growth in revenue and operating margins have been estimated based on historical trends and future market expectations specific to each CGU. The growth in revenue estimations used in the impairment testing for the year ended 31 March 2020 was in the range of -20.00% to 18.00%. The operating margin estimations used in the impairment testing for the year ended 31 March 2020 was in the range of -10.00% to 25.10%.

The range of other key assumptions used by the Group for impairment assessment are captured in the table below for year ended 31 March 2020.

CGU	Pre-tax discount rate	Terminal growth rate
Allsec Technologies Limited	29.01%	4.00%
Greenpiece Landscapes India Private Limited	25.45%	4.00%
Identified business of Manipal Integrated Services, including two of its subsidiaries	29.15%	4.00%
MFXchange Holdings Inc.	20.24%	2.00%
Vedang Cellular Services Private Limited	28.57%	4.00%
Brainhunter Systems Ltd.	18.78%	2.00%
Comtel Solutions Pte. Ltd.	16.07%	2.00%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

4 (i) Impairment testing (Contd..)

CGU	Pre-tax discount rate	Terminal growth rate
Qdigi Services Limited	27.55%	4.00%
Magna*	28.63%	4.00%
Conneqt Business Solution Limited	28.69%	4.00%
Certain subsidiaries of Monster group	28.00%	3.50%

*Division of parent entity, Quess Corp Limited.

Sensitivity to changes in assumptions

The impairment assessment is sensitive to changes in discount rates for certain CGU's. Increase in discount rates by 100bps will result in additional impairment as per the table below:

CGU	Incremental impairment
Allsec Technologies Limited	62.00
Greenpiece Landscapes India Private Limited	10.70
Identified business of Manipal Integrated Services, including two of its subsidiaries	188.30
MFXchange Holdings Inc.	78.16
Vedang Cellular Services Private Limited	12.60

An increase in pre-tax discount rate shall equate the recoverable amount with the carrying amount for certain CGU's as per the below table:

CGU	Change in pre-tax
Brainhunter Systems Ltd.	7.16%
Comtel Solutions Pte. Ltd.	6.02%
Qdigi Services Limited	4.84%
Magna*	12.07%
Conneqt Business Solution Limited	14.25%
Certain subsidiaries of Monster group	9.40%

*Division of parent entity, Quess Corp Limited.

The management has performed sensitivity analysis around the base assumptions for the CGU where the carrying value of investments, intangibles and goodwill are not impaired and concluded that no reasonably possible changes in key assumptions would result in the recoverable amount of the CGU to be lesser than the carrying value.

4 (ii) Business combinations:

(a) Acquisition of additional stake in Terrier Security Services Private Limited

During the year ended 31 March 2017, the Company entered into Share Purchase Agreement ("SPA") with Terrier Security Services (India) Private Limited ("TSSIPL") and its shareholders dated 19 October 2016, to acquire 74.00%. On 9 December 2016 the Company acquired 49.00% stake for a consideration of INR 720.00 millions.

On 27 May 2020, the Company acquired additional 25.00% stake in TSSIPL for a purchase consideration of INR 645.00 million. Consequent to the additional 25.00% acquisition, the total shareholding in TSSIPL has increased from 49.00% to 74.00% and TSSIPL has become subsidiary of the Company. The purchase consideration included the fair value of the existing stake of 49.00% and additional stake of 25.00% adjusted for equity method accounting loss of INR 113.40 million resulted in a total purchase consideration of INR 1,510.00 million. The purchase consideration of INR 645.00 million was settled by adjusting loans which was outstanding to be received from Heptagon Technologies Private Limited ("HTPL").

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

4 (ii) Business combinations: (Contd..)

During the year, the Company has completed the purchase price allocation and has recognised assets and liabilities at its fair value. Post allocation of purchase price, the Company has recorded goodwill of INR 1,500.93 million and fair value gain on the acquisition of INR 250.26 million which is disclosed under exceptional item (refer note 40). The goodwill is attributable to synergies including revenues from new customers. Results from this acquisition and goodwill are included under Operating asset management segment. Goodwill is not deductible for income tax purposes. This acquisition is expected to provide an increased share in Operating asset management segment.

For the period from 27 May 2020 to 31 March 2021, TSSIPL contributed revenue of INR 3,290.56 million and profit after tax of INR 189.64 million to the Group's results. Management estimates that if the acquisition had occurred on 1 April 2020, consolidated revenue and consolidated profit for the year would have increased by INR 4,067.82 million and INR 10.60 million, respectively. The proforma amounts are not necessarily indicative of results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.

(Amount in INR millions)

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	27.32	-	27.32
Right of use assets	32.48	-	32.48
Deferred tax assets (net)	75.42	-	75.42
Income tax assets (net)	228.90	-	228.90
Inventories	6.08	-	6.08
Financial assets	1,096.11	-	1,096.11
Other assets	15.21	-	15.21
Financial liabilities	(1,144.78)	-	(1,144.78)
Other liabilities	(332.51)	-	(332.51)
Total	**4.23**	**-**	**4.23**
Goodwill			1,500.93
Non-controlling interest			(1.10)
Total Consideration			**1,504.06**
Satisfied by:			
Cash			722.20
Settlement by way of adjustment of loans from a related party (refer note 53)			645.00
Fair value gain on previously held equity interest			250.26
Share of losses as at 27 May 2020			(113.40)
Total Consideration transferred			**1,504.06**

(b) Acquisition of Allsec Technologies Limited

On 3 June 2019, the company through its subsidiary Conneqt Business Solutions Limited ("CBSL") ("Acquirer") acquired controlling stake in Allsec Technologies Limited ("Allsec") by acquiring 9,349,095 shares representing 61.35% equity shares at a consideration of INR 2,711.97 million. These entities are engaged in providing Business Process Solutions in the fields of Customer Lifecycle Management, Human Resource Outsourcing and Anti Money Laundering.

On 21 June 2019 the Acquirer made the open offer as per the SEBI STAT regulations and acquired 1,833,817 shares representing 12.03% equity shares of Target at a price of INR 320.00 per share amounting to INR 587.64 million which was completed on 10 July 2019. The subsequent acquisition through the open offer was recognised as an adjustment to equity as it was concluded to be purchase of additional non-controlling stake under Ind AS 103 - Business combinations.

During the year ended 31 March 2020, the Company completed the purchase price allocation and recognised assets and liabilities of the acquired business at its fair value including intangible assets. Based on the purchase price allocation, the Company identified the customer relationships aggregating INR 540.73 million to be amortised over its estimated useful life of 5 years.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

4 (ii) Business combinations: (Contd..)

(b) Acquisition of Allsec Technologies Limited (Contd..)

The fair value of net assets acquired including the identified intangibles as on the acquisition date as a part of the transaction amounted to INR 1,644.53 million. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill aggregating to INR 1,067.44 million. The goodwill is attributable to synergies including revenues from new customers. Results from this acquisition and goodwill are included under Tech services segment. Goodwill is not deductible for income tax purposes. This acquisition is expected to provide an increased share in Global technology solutions segment.

For the period from 3 June 2019 to 31 March 2020, Allsec Technologies Limited contributed revenue of INR 2,347.53 million and profit after tax of INR 371.52 million to the Group's results. Management estimates that if the acquisition had occurred on 1 April 2019, consolidated revenue and consolidated profit for the year would have increased by INR 44.72 million and INR 7.14 million, respectively. The proforma amounts are not necessarily indicative of results that would have occurred if the acquisition had occurred on dates indicated or that may result in the future.

The purchase price has been allocated based on the report of a valuer which is as follows:

(Amount in INR millions)

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	98.90	-	98.90
Right of use assets	262.00	-	262.00
Customer relationships	-	540.73	540.73
Deferred tax liabilities	-	(135.18)	(135.18)
Current investments	652.40	-	652.40
Deferred tax assets (net)	142.70	-	142.70
Income tax assets (net)	82.90	-	82.90
Financial assets	1,510.10	-	1,510.10
Other assets	51.80	-	51.80
Financial liabilities	(415.30)	-	(415.30)
Other liabilities	(110.48)	-	(110.48)
Total	**2,275.02**	**405.55**	**2,680.57**
Goodwill			1,067.44
Non-controlling interest			(1,036.04)
Goodwill			**2,711.97**
Satisfied by:			
Cash			2,711.97
Total Consideration transferred			**2,711.97**

(c) Acquisition of Trimax Smartinfra Projects Private Limited

During the year, the Company entered into a settlement cum share purchase agreement dated 15 October 2019 with Trimax IT Infrastructure & Service Limited (""TSIPL"") to subscribe for additional 49.00% equity stake at a consideration of INR 130.00 million. Accordingly, TSIPL has become 100.00% subsidiary of the Company.

During the previous year ended 31 March 2020, the Company has completed the purchase price allocation and has recognised goodwill amounting to INR 398.29 million. Subsequently the Group has performed impairment analysis considering the impact of COVID-19 and uncertainities in the future economic condition caused by the pandemic and accordingly has impaired the goodwill [refer note 4 (i)].

(d) Acquisition of additional stake in Quess East Bengal FC Private Limited.

During the year ended 31 March 2019, the Company 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 100.35 million. On 16 July 2020, the Company entered into a Termination agreement ("Agreement") with QEBFC and the East

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

4 (ii) Business combinations: (Contd..)

(d) Acquisition of additional stake in Quess East Bengal FC Private Limited. (Contd..)

Bengal Club ("Club") for terminating the shareholders agreement ("SHA") dated 5 July 2018 among the Company, QEBFC and the Club on mutual consent. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and the Company has acquired the balance 30.00% equity stake in QEBFC for a nominal value of INR 1,000. On 28 July 2020 the Board of Directors had approved the proposal for voluntary liquidation of QEBFC and subsequently, the Shareholders of QEBFC had approved the Voluntary Liquidation pursuant to Section 59 of the Insolvency and Bankruptcy Code, 2016 and appointed a Liquidator on 2 September 2020 for carrying out the Voluntary Liquidation process. The effective date of commencement of liquidation is 2 September 2020. The impact of the transaction on the profits for the year ended 31 March 2021 is insignificant.

(e) Sale of Dependo Logistics Private Limited

During the year, the Company sold Dependo Logistics Services Private Limited for a consideration of INR 100.00 million and has recognised profit on sale of INR 76.62 million which is disclosed under exceptional item in the above financial statements (refer note 40).

(f) Acquisition of 16.12% stake in Stellarslog Technovation Private Limited.

During the year, The Company entered into Shareholder's Agreement ("SHA") and Share Subscription Agreement ("SSA") with Stellarslog Technovation Private Limited ("STPL") and its Shareholders to acquire equity stake in STPL. On 29 January 2021, the Company had acquired 16.12% equity stake in STPL for a consideration of INR 20.00 million. The remaining INR 80.00 million for acquiring 32.88% stake in STPL is considered as a financial commitment.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

5 Other intangible assets and intangible assets under development

(Amount in INR millions)

Particulars	Other intangible assets										Intangible assets under development
	Brand	Customer relationships	Computer software##	Computer software - leased	Customer contracts	Copyright and trademarks	IP technology	Resume database	Non-compete	Total other intangible assets	
Gross carrying amount as at 1 April 2019	**60.70**	**2,687.04**	**758.56**	**56.64**	**54.45**	**0.48**	**41.21**	**110.76**	**32.84**	**3,802.68**	**143.78**
Additions through business combinations	-	540.73	65.89	-	-	-	-	-	-	606.62	-
Additions	-	-	273.35	-	-	-	-	-	-	273.35	4.15
Disposals	-	-	(0.06)	-	-	-	-	-	-	(0.06)	(109.70)
Translation differences#	2.25	107.11	267.91	5.33	-	-	3.72	2.48	4.96	393.76	0.42
Balance as at 31 March 2020	**62.95**	**3,334.88**	**1,365.65**	**61.97**	**54.45**	**0.48**	**44.93**	**113.24**	**37.80**	**5,076.35**	**38.65**
Additions through business combinations	-	-	6.52	-	-	-	-	-	-	6.52	
Additions	-	-	95.60	-	-	-	-	-	-	95.60	137.68
Disposals	-	-	(3.52)	-	-	-	-	-	-	(3.52)	(17.58)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-
Translation differences#	(0.51)	20.66	(101.29)	(2.09)	-	-	(3.72)	(0.56)	(1.12)	(88.63)	0.35
Balance as at 31 March 2021	**62.44**	**3,355.54**	**1,362.96**	**59.88**	**54.45**	**0.48**	**41.21**	**112.68**	**36.68**	**5,086.32**	**159.10**
Accumulated amortisation and impairment as at 1 April 2019	**18.40**	**685.48**	**527.54**	**44.99**	**35.10**	**0.36**	**15.66**	**25.25**	**9.36**	**1,362.14**	**-**
Additions through business combination	-	-	34.47	-	-	-	-	-	-	34.47	
Amortisation for the year	11.29	375.40	190.04	-	15.28	0.12	13.74	22.15	8.21	636.23	-
Regrouping*	-	-	4.52	-	-	-	-	-	-	4.52	-
Disposals	-	-	(0.07)	-	-	-	-	-	-	(0.07)	-
Impairment [refer note 4 (i)]	-	1,334.81	-	-	-	-	-	-	-	1,334.81	-
Translation differences#	0.80	46.75	264.82	4.24	-	-	2.65	1.06	2.65	322.97	-
Accumulated amortisation as at 31 March 2020	**30.49**	**2,442.44**	**1,021.32**	**49.23**	**50.38**	**0.48**	**32.05**	**48.46**	**20.22**	**3,695.07**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

5 Other intangible assets and intangible assets under development

(Amount in INR millions)

Particulars	Other intangible assets										Intangible assets under development
	Brand	Customer relationships	Computer software##	Computer software - leased	Customer contracts	Copyright and trademarks	IP technology	Resume database	Non-compete	Total other intangible assets	
Additions through business combination	-	-	6.14	-	-	-	-	-	-	6.14	-
Amortisation for the year	8.50	198.08	209.35	8.97	4.07	-	11.82	22.15	8.21	471.15	-
Disposals	-	-	(3.10)	-	-	-	-	-	-	(3.10)	-
Translation differences#	0.11	27.72	(102.22)	(1.63)	-	-	(2.65)	0.14	0.36	(78.17)	-
Accumulated amortisation and impairment as at 31 March 2021	**39.10**	**2,668.24**	**1,131.49**	**56.57**	**54.45**	**0.48**	**41.22**	**70.75**	**28.79**	**4,091.09**	**-**
Net carrying amount											
As at 31 March 2021	**23.34**	**687.30**	**231.47**	**3.31**	**-**	**-**	**(0.01)**	**41.93**	**7.89**	**995.23**	**159.10**
As at 31 March 2020	**32.46**	**892.44**	**344.33**	**12.74**	**4.07**	**-**	**12.88**	**64.78**	**17.58**	**1,381.28**	**38.65**

*The group has done regrouping to bring standardisation in asset class.

#Represents translation of intangible assets of foreign operations into Indian Rupees.

##Computer software consists of capitalised development costs being an internally generated intangible asset.

No impairment loss has been recognised during the current year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

6 Investments in equity accounted investees and non-current investments

Investments in equity accounted investees

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest in associates (refer note A below)	24.44	708.14
Interest in joint ventures (refer note A below)	-	-
	24.44	**708.14**

Non-current investments

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unquoted		
Investment carried at fair value through other comprehensive income		
Investments in equity instruments		
200,000 (31 March 2020: 200,000) fully paid up equity shares of par value of INR 10.00 each of KMG Infotech Limited	16.55	16.55
	16.55	**16.55**

(Amount in INR millions)

A	Particulars	As at 31 March 2021	As at 31 March 2020
	Investment in equity accounted investees (refer note 52)		
	Investment in associates		
	Investment in equity instruments		
	245,000 (31 March 2020: 245,000) fully paid up equity shares of par value of ₹ 10.00 each of Terrier Security Services (India) Private Ltd (refer note 6.1)	-	702.33
	13,612 (31 March 2020: 13,612) fully paid up equity shares of par value of ₹ 10.00 each of Heptagon Technologies Private Limited (refer note 6.2)	-	-
	10,000 (31 March 2020: 10,000) fully paid up equity shares of par value of ₹ 10.00 each of Trimax Smart Infraprojects Private Limited (refer note 6.3)	-	-
	2,500 (31 March 2020: 2,500) fully paid up equity shares of par value of Peso 100.00 (INR 1.24 per Peso) each of Quess Recruit, Inc.	6.75	4.73
	1,035,000 (31 March 2020: 1,035,000) fully paid up equity shares of par value of INR 10.00 of Quess East Bengal FC Private Limited (refer note 6.4)	-	-
	122,500 (31 March 2020: 122,500) fully paid up equity shares of par value of RM 1.00 (INR 16.86 per RM) each of Agency Pekerjaan Quess Recruit Sdn. Bhd. (refer note 6.5)	0.14	1.08
	38,431 (31 March 2020: Nil) fully paid up equity shares of par value of INR 10.00 each of Stellarslog Technovation Private Limited (refer note 6.6)	17.55	-
		24.44	**708.14**
	Investment in joint venture		
	49,000 (31 March 2020: 49,000) fully paid up equity shares of par value of 1.00 RM each of Himmer Industrial Services (M) SDN BHD (refer note 6.7)	-	-
	Total investment in equity accounted investees	**24.44**	**708.14**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

6 Investments in equity accounted investees and non-current investments (Contd..)

6.1 During the year ended 31 March 2017, the Company entered into Share Purchase Agreement ("SPA") with Terrier Security Services (India) Private Limited ("Terrier") and its shareholders dated 19 October 2016, to acquire 74.00% stake subject to the approval of Ministry of Home Affairs ("MHA") for consideration as per the terms mentioned in the SPA. The Company acquired 49.00% stake for a consideration of INR 720.00 millions on 9 December 2016.

On 27 May 2020, the Company acquired additional 25.00% stake in Terrier Security Services (India) Private Limited ("TSSIPL") for a purchase consideration of INR 645.00 million. Consequent to the additional 25.00% acquisition, the total shareholding in TSSIPL has increased from 49.00% to 74.00% and TSSIPL has become subsidiary of the Company. [refer note 4 ii (a)] for purchase price allocation.

The following table summarises the financial information of Terrier as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Terrier.

(Amount in INR millions)

Particulars	As at 31 March 2021*	As at 31 March 2020
Percentage ownership interest		**49.00%**
Non-current assets	-	462.92
Current assets	-	1,230.35
Non-current liabilities	-	(118.16)
Current liabilities	-	(1,380.00)
Net assets before corporate guarantee adjustment	**-**	**195.11**
Less: Fair value of corporate guarantee issued by Quess Corp Limited	-	(2.20)
Net Assets	**-**	**192.91**
Group's share of net assets	-	94.53
Goodwill	-	605.60
Carrying amount of interest in associates	**-**	**700.13**
Add: Fair value of corporate guarantee issued by Quess Corp Limited	-	2.20
Total Investment	**-**	**702.33**

(Amount in INR millions)

Particulars	For the period 1 April 2020 to 27 May 2020	For the year ended 31 March 2020
Revenue	777.25	**5,114.25**
Profit after tax	(179.99)	(148.60)
Other comprehensive income	(10.89)	(42.49)
Total comprehensive income	(190.88)	(191.09)
Group's share of profit (49.00%)	(88.20)	(72.81)
Group's share of other comprehensive income (49.00%)	(5.33)	(20.82)
Group's share of total comprehensive income	**(93.53)**	**(93.63)**

**Terrier became subsidiary of the Company with effect from 27 May 2020*

6.2 During the year ended 31 March 2019, the Company entered into a Share Purchase Agreement ("SPA") dated 5 September 2018 with Heptagon and its shareholders to acquire additional 3.00% shares for a consideration of INR 15.00 million. As of 31 March 2021, the Company holds 49.00% equity stake in Heptagon and Heptagon continues to be an associate of the Group.

6.3 During the year ended 31 March 2020, the Company entered into a Settlement cum Share Purchase Agreement ("SSPA") dated 15 October 2019 with the approval of Committee of Creditors ("CoC") and acquired remaining 49.00% equity stake in TSIPL and TSIPL has became 100.00% subsidiary of the Company with effect from 15 October 2019 [refer note 4 (ii)(c) and 13.1]

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

6 Investments in equity accounted investees and non-current investments (Contd..)

6.4 During the year ended 31 March 2019, the Company 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 100.35 million. On 16 July 2020, the Company entered into a Termination agreement ("Agreement") with QEBFC and the East Bengal Club ("Club") for terminating the shareholders agreement ("SHA") dated 5 July 2018 among the Company, QEBFC and the Club on mutual consent. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and the Company has acquired the balance 30.00% equity stake in QEBFC for a nominal value of INR 1,000. On 28 July 2020 the Board of Directors had approved the proposal for voluntary liquidation of QEBFC and subsequently, the Shareholders of QEBFC had approved the Voluntary Liquidation pursuant to Section 59 of the Insolvency and Bankruptcy Code, 2016 and appointed a Liquidator on 2 September 2020 for carrying out the Voluntary Liquidation process. The effective date of commencement of liquidation is 2 September 2020. The impact of the transaction on the profits for the year ended 31 March 2021 is insignificant.

6.5 During the year ended 31 March 2019, the Group through its wholly owned subsidiary Quessglobal (Malaysia) SDN. BHD. subscribed to 122,500 shares with par value of RM 1 each, equivalent to 49.00% of the share capital of Agency Pekerjaan Quess Recruit SDN. BHD. ("APKR"), for a consideration of RM 122,500 (INR equivalent 2.06 million). Accordingly, APKR became the associate of the Group.

6.6 During the year, the Company entered into Shareholder's Agreement ("SHA") and Share Subscription Agreement ("SSA") with Stellarslog Technovation Private Limited ("STPL") and its Shareholders to acquire equity stake in STPL. On 29 January 2021, the Company had acquired 16.12% equity stake in STPL for a consideration of INR 20.00 million. The remaining INR 80.00 million for acquiring 32.88% stake in STPL is considered as a financial commitment.

6.7 During the year ended 31 March 2017, The Group has 49.00% equity stake in Himmer Industrial Services (M) SDN. BHD ("Himmer"). Considering provisions of the agreement, the Group has classified investment in Himmer as joint venture as per Ind AS 111, Joint Arrangements. The group had picked up losses to the extent of its investments.

6.8 The following table summarises the Group's interests in individually immaterial associates (refer note 6.2, 6.3, 6.4, 6.5 and 6.6) and joint venture (refer note 6.7) in the carrying amount and share of profit/(loss) and other comprehensive income.

Associates and joint venture

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Aggregate carrying amount of individually immaterial associates and joint venture	6.89	5.81
Share in loss	(26.07)	(65.52)
Share in other comprehensive income	-	(15.99)
Share in total comprehensive income	**(26.07)**	**(81.51)**

7 Non-current loans

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans receivable considered good - unsecured		
Security deposits	777.27	786.61
Loans to associates (refer note 48 and 53)	265.17	1,130.19
Less: Impairment loss allowance (refer note 7.1 and 40)	-	(242.85)
	1,042.44	**1,673.95**

7.1 During the year ended 31 March 2020, the Company after exploring various options decided to terminate the joint arrangements with Quess East Bengal FC Private Limited ("QEBFC"), an associate of the Company after considering its long term economic viability. Consequently the Company reassessed the recoverable value of the loans given to this associate and recognised an impairment charge of INR 242.85 million in the statement of profit and loss respectively, and disclosed as an exceptional item in the statement of profit and loss (refer note 6.4).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

8 Other non-current financial assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits (due to mature after 12 months from the reporting date)*	189.03	86.26
Indemnification assets**	443.34	443.34
Interest receivable from related parties (refer note 48)	-	82.23
	632.37	**611.83**

*Fixed deposits to the tune of INR 170.13 million (31 March 2020: INR 4.64 million) are lien marked.

**As per the Share Purchase Agreement ("SPA") and Share Holders Agreement ("SHA") dated 20 November 2017 with Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) ("TBSS") and its shareholders, the Group will be indemnified for any future cash outflow on account of specific indirect tax claim which is existing as on the date of acquisition. The claim which is recognised as contingent liability in the standalone financial statements of TBSS is recognised as provision for expenses in the consolidated financial statements of the Group by recognising an equal amount as indemnification assets [based on purchase price allocation]

9 Taxes

A Amount recognised in profit or loss

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of the current year	(423.29)	(335.14)
Excess provision related to prior years	(68.21)	(2.76)
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(618.02)	(136.86)
Income tax expense reported in the Consolidated Statement of Profit and Loss	**(1,109.52)**	**(474.76)**

B Income tax recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Remeasurement of the net defined benefit liability/ asset		
Before tax	(78.10)	(143.80)
Tax expense	21.68	34.82
Net of tax	**(56.42)**	**(108.98)**

C Amounts recognised directly in equity

No tax expense has been recognised directly in equity.

D Reconciliation of effective tax rate

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(Loss) before tax	1,846.41	(3,844.02)
Tax using the Company's domestic tax rate of 25.168% (31 March 2020: 25.168%)	(464.70)	967.46
Effect of:		
Deferred tax recognised on goodwill*	(519.61)	-
Exceptional items [refer note 40]	180.93	(1,671.29)
Adoption of new tax regime under section 115BAA on deferred tax including reversal of MAT credit entitlement**	-	(1,399.94)
Deferred tax reversal on goodwill and intangibles***	-	1,053.90

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

9 Taxes (Contd..)

D Reconciliation of effective tax rate (Contd..)

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	31 March 2020
Tax exempt income	127.33	90.34
Non-deductible expenses	(232.97)	(39.77)
Tax incentives	12.71	783.15
Difference in enacted tax rate	(103.80)	(277.36)
Others	(41.20)	18.75
Excess provisions relating to earlier years	(68.21)	-
Income tax expense reported in the Consolidated Statement of profit and loss	**(1,109.52)**	**(474.76)**

*'The Finance Act, 2021 introduced an amendment to section 32 of the Income Tax Act, 1961, whereby goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective 1 April 2020. Consequently, the Company recorded a deferred tax expense of INR 519.61 million being the difference between the book base and tax base of goodwill on 31 March 2021. The deferred tax mainly relates to goodwill arising out of the acquisition of Manipal business in 2016.

**During the previous year ended 31 March 2020, the Company and certain direct and indirect subsidiaries of the Company have decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY 2020. Accordingly, the Group has written off through the statement of profit and loss, accumulated MAT credit of INR 1,245.20 million and re-measured other accumulated net deferred tax assets based on the rate prescribed under Section 115BAA resulting in additional expense of INR 154.75 million in these consolidated financial statements.

***An amount of INR 1053.90 million being reversal of deferred tax liability in relation to impairment of goodwill and intangibles has been adjusted to the statement of profit and loss through tax expense [refer note 4 (i)]

E The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2021 and 31 March 2020

Income tax assets (net)

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	5,961.28	7,099.36
Income tax liabilities	(3,189.74)	(2,765.30)
Net income tax assets at the end of the year	**2,771.54**	**4,334.06**

Income tax liabilities (net)*

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax assets	-	-
Income tax liabilities	88.24	71.77
Net income tax liabilities at the end of the year	**88.24**	**71.77**

*For current tax liabilities above, there is no legally enforceable right to set off against the non-current tax assets and accordingly disclosed separately.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

D Deferred tax assets (net) and Deferred tax liabilities

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax asset and liabilities are attributable to the following:		
Deferred tax assets:		
Loss allowance on financial assets	265.74	156.78
Provision for employee benefits	469.20	376.33
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	689.25	1,052.07
Property, plant and equipment and intangible assets	302.17	84.50
MAT credit entitlement	17.30	54.59
Brought forward losses & unabsorbed depreciation	291.97	161.08
Lease liabilities	48.07	27.52
Others	16.01	395.60
Deferred tax assets	**2,099.71**	**2,308.47**
Deferred tax liabilities:		
Intangibles recognised on Purchase price allocation	(90.40)	(277.13)
Goodwill on merger	(719.39)	(199.78)
	(809.79)	**(476.91)**
Deferred tax assets (net)	**1,289.92**	**1,831.56**
Deferred income tax liabilities (net)		
Deferred income tax liabilities	0.44	1.27
	1,289.48	**1,830.29**

G Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR millions)

For the year ended 31 March 2021	Opening balance	Additions through business combinations	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax assets:					
Loss allowance on financial assets	156.78	-	108.96	-	265.74
Provision for employee benefits	376.33	-	71.19	21.68	469.20
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	1,052.07	-	(362.82)	-	689.25
Property, plant and equipment and intangible assets	84.50	5.11	212.56	-	302.17
MAT credit entitlement	54.59	-	(37.29)	-	17.30
Brought forward losses & unabsorbed depreciation	161.08	69.62	61.27	-	291.97
Lease liabilities	27.52	0.42	20.13	-	48.07
Others	395.60	-	(379.59)	-	16.01
	2,308.47	**75.15**	**(305.60)**	**21.68**	**2,099.71**
Deferred tax liabilities:					
Intangibles recognised on Purchase price allocation	(277.13)	-	186.73	-	(90.40)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

9 Taxes (Contd..)

G Recognised deferred tax assets and liabilities

(Amount in INR millions)

For the year ended 31 March 2021	Opening balance	Additions through business combinations	Recognised in profit or loss	Recognised in OCI	Closing balance
Goodwill on merger	(199.78)	-	(519.61)	-	(719.39)
	(476.91)	**-**	**(332.88)**	**-**	**(809.79)**
Deferred tax assets (net)	**1,831.56**	**75.15**	**(638.48)**	**21.68**	**1,289.92**
Deferred income tax liabilities					
Deferred income tax liabilities	1.27	-	(0.83)	-	0.44

(Amount in INR millions)

For the year ended 31 March 2020	Opening balance	Additions through business combinations	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax assets:					
Impairment loss allowance on financial assets	186.00	0.60	(29.82)	-	156.78
Provision for employee benefits	407.21	10.79	(76.49)	34.82	376.33
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	1,132.99	-	(80.92)	-	1,052.07
Property, plant and equipment and intangible assets	(24.47)	42.70	66.27	-	84.50
MAT credit entitlement	1,265.87	33.92	(1,245.20)	-	54.59
Brought forward losses & unabsorbed depreciation	82.75	30.73	47.60	-	161.08
Lease liabilities	-	(0.40)	27.92	-	27.52
Others	342.46	(2.10)	55.24	-	395.60
	3,392.81	**116.24**	**(1,235.40)**	**34.82**	**2,308.47**
Deferred tax liabilities:					
Intangibles recognised on PPA	(469.65)	(135.18)	327.70	-	(277.13)
Goodwill on merger	(996.70)	-	796.92	-	(199.78)
	(1,466.35)	**(135.18)**	**1,124.62**	**-**	**(476.91)**
Deferred tax assets (net)	**1,926.46**	**(18.94)**	**(110.78)**	**34.82**	**1,831.56**
Deferred income tax liabilities					
Deferred income tax liabilities	0.90	-	0.37	-	1.27

H Unrecognised deferred tax assets/ (liabilities)

The Group does not have unrecognised deferred tax liabilities.

Unrecognised deferred tax assets related primarily to business losses. These unexpired business losses will expire based on the year of origination as follows:

(Amount in INR millions)

As at 31 March 2021	Unabsorbed business losses
2022	-
2023	-
2024	-

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

9 Taxes (Contd..)

H Unrecognised deferred tax assets/ (liabilities) (Contd..)

(Amount in INR millions)

As at 31 March 2021	Unabsorbed business losses
2025	-
2026	-
Thereafter	23,903.75
	23,903.75

10 Other non-current assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances	16.52	7.53
Taxes paid under protest (refer note 45)	102.49	113.93
Provident fund payments made under protest (refer note 45)	17.53	17.53
Prepaid expenses	40.74	39.63
	177.28	**178.62**

11 Inventories

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Valued at lower of cost and net realizable value		
Raw material and consumables	42.94	68.35
Stores and spares	247.35	215.43
	290.29	**283.78**

12 Current investments

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Quoted		
Investments at fair value through profit or loss		
Investments in liquid mutual fund units	497.08	333.90
	497.08	**333.90**

Details of investments in liquid mutual fund units

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
1,338,486.50 units (March 2020: 1,338,486.49 units) HDFC Floating Rate Debt Fund - Regular Plan Growth	50.74	47.00
10,185.83 units (March 2020: 10,185.83 units) HDFC Money Market Fund - Regular Plan Growth	45.01	42.52
127,588.09 units (March 2020: 107,764.85 units) ICICI Prudential Savings Fund - Growth	53.08	41.74
13,436.43 units (March 2020: 13,436.43 units) Kotak Money Market Fund - Growth	46.58	44.34

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

12 Current investments

Details of investments in liquid mutual fund units

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
14,606.62 units (March 2020: 14,606.62 units) Kotak Liquid Fund - Regular Plan - Growth	60.48	58.43
Nil units (March 2020: 18,904.23 units) Baroda Liquid Fund - Plan B Growth	-	43.28
4,399.07 units (March 2020: 4,399.07 units) UTI Liquid Cash Plan - Regular Plan - Growth	14.75	14.24
18,837.52 units (March 2020: 18,837.52 units) UTI Money Market Fund - Regular Plan - Growth	44.74	42.35
1,052,869.00 units (March 2020: Nil units) HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	40.32	-
2,550,007.99 units (March 2020: Nil units) HDFC Ultra Short Term Fund – Direct Growth	30.45	-
863,089.85 units (March 2020: Nil units) HDFC Ultra Short Term Fund – Regular Growth	10.22	-
71,631.88 units (March 2020: Nil units) ICICI Prudential Savings Fund - DP - Growth	30.06	-
598,776.45 units (March 2020: Nil units) Kotak Banking and PSU Debt Fund - Regular Plan - Growth	30.13	-
5,862.27 units (March 2020: Nil units) Kotak Money Market Fund - Direct Plan - Growth	20.43	-
8,386.50 units (March 2020: Nil units) UTI Money Market Fund - Direct Growth Plan	20.09	-
	497.08	**333.90**
Aggregate amount of quoted investments	497.08	333.90
Aggregate market value of quoted investments	497.08	333.90

13 Trade receivables

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Considered good	10,592.10	10,649.86
Less: Allowance for expected credit losses (refer note 13.1)	(1,647.24)	(667.79)
Net trade receivables	**8,944.86**	**9,982.07**

Of the above, trade receivables from related party are as below:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables from related parties	17.84	117.35
Less: Allowance for expected credit losses	(1.60)	(99.85)
Net trade receivables	**16.24**	**17.50**

For terms and conditions of trade receivables owing from related parties refer note 48.

The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 42.

13.1 During the year ended 31 March 2021, the Company has recorded a provision of INR 831.52 million in relation to the trade receivables arising from certain contracts with government customers. The collection of these trade receivables is delayed due to the protracted lockdowns arising from the pandemic situation which has also resulted in delays in completion of future milestones relating to such contracts. Further, there exists considerable uncertainty around the timelines for completion of such contracts and possibility of modification of terms, given the underlying delays. As a matter of abundant caution, the Company has made provisions, while simultaneously pursuing its efforts for the completion of such contracts and the ultimate collection of such receivables.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

14 Cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Cash in hand	6.39	7.87
Balances with banks		
In current accounts	4,573.52	6,784.89
In EEFC accounts	19.84	238.65
In deposit accounts (with original maturity of less than 3 months)	257.44	59.83
	4,857.19	**7,091.24**

15 Bank balances other than cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
In deposit accounts (mature within 12 months from the reporting date)*	788.49	495.99
	788.49	**495.99**

*Fixed deposits to the tune of INR 721.75 million (31 March 2020: INR 415.87 million) are lien marked.

16 Current loans

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans receivable considered good - unsecured		
Security deposits	200.87	153.88
Provision for doubtful deposits	(1.59)	(1.29)
	199.28	152.59
Other loans and advances		
Loans to employees*	25.98	49.22
Loans to associates (refer note 48 and 53)	-	342.24
	225.26	**544.05**

*There is no loss allowance required to be created for loans to employees as these are in the nature of advance given to employees for operating purpose.

17 Unbilled revenue

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unbilled revenue* (refer note 48)	9,427.88	8,824.98
Less: Allowance for expected credit losses (refer note 17.1)	(377.32)	(12.19)
	9,050.56	**8,812.79**

*includes unbilled revenue billable to related parties INR 0.08 million (March 2020: INR 44.11 million)

The Group's exposure to credit and currency risk, and loss allowances related to unbilled revenue are disclosed in note 42.

17.1 During the year ended 31 March 2021, the Company has recorded a provision of INR 363.07 million in relation to the unbilled revenues arising from certain contracts with government customers. The collection of these unbilled revenue is delayed due to the protracted lockdowns arising from the pandemic situation which has also resulted in delays in completion of future milestones relating to such contracts. Further, there exists considerable uncertainty around the timelines for completion of such contracts and possibility of modification of terms, given the underlying delays. As a matter of abundant caution, the Company has made provisions, while simultaneously pursuing its efforts for the completion of such contracts and the ultimate collection of such unbilled revenue.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

18 Other current financial assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due	52.36	14.78
Interest receivable from related parties (refer note 48)	-	42.92
Due from related parties (refer note 48)	-	11.62
Foreign currency forward contracts	5.06	-
	57.42	**69.32**

19 Other current assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	707.15	732.18
Advances to suppliers	97.88	150.13
Travel advances to employees	4.74	8.19
Balances with government authorities	246.85	217.18
Other advances	123.37	193.49
	1,179.99	**1,301.17**

20 Equity share capital

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised		
200,000,000 (31 March 2020: 200,000,000) equity shares of par value of INR 10.00 each	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and paid-up		
147,678,864 (31 March 2020: 147,510,694) equity shares of par value of INR 10.00 each, fully paid up	1,476.79	1,475.11
	1,476.79	**1,475.11**

20.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(Amount in INR millions except number of shares)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount in INR millions	Number of shares	Amount in INR millions
Equity shares				
At the commencement of the year	14,75,10,694	1,475.11	14,60,84,833	1,460.85
Add: Shares issued on exercise of employee stock options (refer note 51)	1,68,170	1.68	5,38,680	5.39
Add: Shares issued on preferential allotment basis [refer note (i)]	-	-	7,54,437	7.54
Less: Cancellation of shares held by TCIL [refer note (ii)]	-	-	(7,13,23,496)	(713.23)
Add: Shares issued on acquisition of TCIL business [refer note (ii)]	-	-	7,14,56,240	714.56
At the end of the year	**14,76,78,864**	**1,476.79**	**14,75,10,694**	**1,475.11**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

20 Equity share capital

20.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

(i) During the year ended 31 March 2020, the Company allotted 754,437 equity shares of face value INR 10.00 each (amounting to INR 7.54 million) at a premium of INR 666.00 each (amounting to INR 502.46 million) to Amazon.com NV Investment Holdings, LLC, a Category II Foreign Portfolio Investor ("Investor") by way of preferential allotment ("Issue") aggregating to INR 510.00 million. As per the investment agreement with the Investor and Qdigi Services Limited, a wholly owned subsidiary of the Company, the proceeds from the above allotment will be utilised in Qdigi Services Limited.

(ii) During the year ended 31 March 2019, the Company had entered into a Composite Scheme of Arrangement and Amalgamation ("the Scheme AA") with Thomas Cook (India) Limited ("TCIL"), Travel Corporation (India) Limited, TC Travel Services Limited, TC Forex Services Limited and SOTC Travel Management Private Limited and their respective shareholders and creditors, wherein TCIL had demerged 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 AA. Subsequently, the Administration and Investment Committee duly empowered by the Board approved amendment in the share entitlement ratio in the draft Scheme AA vide its meeting dated 19 December 2018 and filed the Scheme AA with BSE and NSE and subsequently with the National Company Law Tribunal ("NCLT"). During the previous year ended 31 March 2020, the Company had obtained the approval from the NCLT dated 7 November 2019. The appointed date of the Scheme AA is 1 April 2019 which is the effective date of the Scheme AA approved by NCLT. As per the Scheme AA, the consideration was settled by issue of 132,744 equity shares of the Company on a net basis. As part of the Scheme AA equity shares held by Thomas Cook India Limited were extinguished and an equivalent number of equity shares were allotted to the shareholders of Thomas Cook (India) Limited as at 6 December 2019 being the record date fixed in this respect. The change in shareholding pattern therewith is captured in the below table.

Share holding pattern prior and post

Name of the Shareholder	Prior to implementation of Scheme		Post implementation of Scheme	
	Number of shares	Holding (%)	Number of shares	Holding (%)
Ajit Isaac	1,77,28,674	12.07%	1,77,28,674	12.02%
Isaac Enterprises Private Limited	1,53,65,824	10.46%	1,53,65,824	10.42%
Thomas Cook (India) Limited	7,13,23,496	48.57%	-	-
Fairbridge Capital (Mauritius) Limited*	-	-	4,68,76,237	31.78%
HWIC Asia Fund #	7,48,100	0.51%	7,48,100	0.51%
Public	4,16,92,271	28.39%	6,67,91,859	45.27%
Total	**14,68,58,365**	**100.00%**	**14,75,10,694**	**100.00%**

*Wholly owned subsidiary of Fairfax Financial Holdings Limited

#A GBLI-CIS expert fund of Fairfax Financial Holdings Limited.

As per the accounting specified in Scheme AA, the difference in carrying value of assets and liabilities transferred to the Company and the consideration discharged by way of issue of shares to the shareholders of TCIL has been recorded as capital reserve. The transaction has been recorded at nominal value as merger, subsequent cancellation and simultaneous issue of shares is without exchange of cash and the number of equity shares before and after the merger is the same.

20.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to the share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

20 Equity share capital (Contd..)

20.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value INR 10.00 each				
Fairbridge Capital (Mauritius) Limited	4,68,76,237	31.74%	4,68,76,237	31.78%
Ajit Isaac	1,85,86,711	12.59%	1,79,47,523	12.17%
Isaac Enterprises Private limited	1,53,65,824	10.40%	1,53,65,824	10.42%
Aditya Birla Sun Life Trustee Private Limited	71,75,741	4.86%	95,72,569	6.49%

20.4 The Company has not made any buy back of shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the reporting date. However the Company has issued bonus shares and have issued equity shares under Employee Stock option plan for which only exercise price has been received in cash as below (refer note 51).

(Values in number)

Particulars	For the year ended				
	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Shares issued on exercise of employee stock options (refer note 51)	1,68,170	5,38,680	6,00,655	6,19,925	8,37,608

21 Other equity*

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium (refer note 21.1)	16,984.51	16,984.51
Stock options outstanding account (refer note 21.2)	253.00	134.98
Foreign currency translation reserve (refer note 21.3)	287.80	247.79
Capital reserve (refer note 21.4)	(3.33)	(3.33)
Debenture redemption reserve (refer note 21.5)	-	103.13
General reserve	21.56	21.56
Other comprehensive income (excluding foreign currency translation reserve) [refer note 21.6]	(220.20)	(153.42)
Capital redemption reserve (refer note 21.7)	150.00	150.00
Retained earnings	4,480.97	3,799.07
	21,954.31	**21,284.29**

*For detailed movement of reserves refer Consolidated Statement of Changes in Equity.

21.1 Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

During the year ended 31 March 2020, the Company issued 754,437 equity shares at a premium of INR 666.00 per share to Amazon.com NV Investment Holdings, LLC by way of preferential allotment. During the year ended 31 March 2020, as per the requirement of Section 52 of the Companies Act 2013, the Company utilised the securities premium for the expenses incurred in connection with the allotment of shares to the shareholders of TCIL pursuant to acquisition of ""Human Resource Services business"" amounting to INR 369.04 million.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

21 Other equity*

21.2 Share option outstanding account

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

21.3 Foreign currency translation reserve

This relates to the exchange difference arising from the translation of financial statements of foreign operations with functional currency other than INR.

21.4 Capital reserve

Any bargain purchase in a business combination in which the fair value of net assets acquired exceeds the aggregate of the fair value of the purchase consideration, such excess is accumulated in equity as capital reserve. During the year ended 31 March 2020, the Company recognised INR 7.81 million arising from the acquisition of Human Resource Services Business from Thomas Cook (India) Limited [refer note 20.1 (ii)] in capital reserve as per the accounting treatment approved by National Company Law Tribunal ("NCLT").

21.5 Debenture redemption reserve

During the year ended 31 March 2017, the Company issued secured redeemable non-convertible debentures (""NCDs"") and has created a debenture redemption reserve (""DRR"") as per the provisions of the Act. During the year ended 31 March 2020, the Company transferred INR 37.50 million to DRR (31 March 2019: INR 75.00 million). Further, the Company redeemed 750 NCDs aggregating to INR 750.00 million and a corresponding amount has been transferred from DRR to retained earnings. The Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules 2014 to remove the requirement for creation of DRR of 25.00% of the value of outstanding debentures in respect of listed companies. Accordingly, the Company has stopped appropriating profits to DRR from 1 October 2019. During the year the Company redeemed balance 750 NCD's aggregating to INR 750.00 million and the balance amount was transferred from DRR to retained earnings. As of 31 March 2021 the DRR balance was INR Nil (31 March 2020: INR 103.13 million).

21.6 Other comprehensive income (excluding foreign currency translation reserve)

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

21.7 Capital redemption reserve

The Group had issued 12.33% cumulative redeemable preference shares having face value of INR 10.00 each and redeemable at INR 12.00 each. As per the provisions of the Companies Act, 2013, the Group is required to create a capital redemption reserve ("CRR") equivalent to the nominal value of shares redeemed out of the profits of the Group. Such reserve can be created out of the free reserves of the Group. Accordingly, the Group had created CRR out of the retained earnings of earlier years and an amount of INR 150.00 million had been transferred from retained earnings to CRR during the year ended 31 March 2018. As per the provisions of the Companies Act, 2013, such CRR can be used for issuing fully paid up bonus shares.

22 Non-controlling interests

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-controlling interests [refer note 22.1, 22.2 and 22.3]	939.30	769.04
	939.30	**769.04**

22.1 Pertains to Allsec Technologies Limited, Terrier Security Services Private Limited, Simpliance Technologies Private Limited and Agensi Pekerjaan Monster Malaysia SDN. BHD (formerly known as Monster Malaysia SDN BHD).

22.2 The Group acquired 61.35% equity stake in Allsec on 3 June 2019 [refer note 4(ii)(b)] and recognised NCI amounting to INR 1,036.04 million. On 10 July 2020, the Group acquired an additional 12.03% equity stake for INR 587.64 million through the open offer. The carrying amount of 12.03% non-controlling interest acquired in Allsec was INR 304.84 million. The Group recognised a decrease in equity attributable to owners of the parent of INR 282.80 million. During the year Allsec declared dividend and an amount of INR 135.94 million was paid to non-controlling interest.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

22 Non-controlling interests (Contd..)

22.3 The Group increased their stake in TSSIPL to 74.00% on 27 May 2020 [refer note 4(ii)(a)] and recognised NCI amounting to INR 1.10 million. The share of profits for 26% non-controlling stake for the period from 27 May 2020 till 31 March 2021 amounts to INR 60.72 million.

23 Non-current borrowings*

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Non-convertible debentures [refer note 23.1(a) and 23.2]	-	748.09
Term loans [refer note 23.1(b),23.1(c), 23.3 and 23.4]	1,056.45	1,733.98
Finance lease obligations [refer note 23.1(d) and 23.5]	-	15.04
NSDC loan [refer note 23.1(e) and 23.6]	91.83	114.65
Vehicle loan [refer note 23.1(f), 23.1(g) and 23.7]	37.32	45.65
Total borrowing	**1,185.60**	**2,657.41**
Less: Current maturities of long-term borrowings (refer note 29)	(642.53)	(1,492.70)
Less: Current maturities of finance lease obligations (refer note 29)	-	(15.04)
	543.07	**1,149.67**

*Information about the Group's exposure to interest rate and liquidity risk is included in note 42.

23.1 Terms and repayment schedule

Terms and condition of outstanding borrowings are as follows:

(Amount in INR millions)

Particulars	Currency	Coupon/ Interest rate	Year of maturity	Carrying amount as at 31 March 2021	Carrying amountn as at 31 March 2020
(a) Secured non-convertible debentures (refer note 23.2)	INR	8.50%	2022	-	748.09
(b) Secured term loan (refer note 23.3)	SGD	3M LIBOR + 2.00%	2022	702.07	1,347.86
(c) Secured term loan (refer note 23.4)	CAD	CDOR + 2.5%	2025	354.38	386.12
(d) Finance lease obligations (refer note 23.5)	USD	3.00% to 4.00%	2024	-	15.04
(e) Secured NSDC loan (refer note 23.6)	INR	6.00%	2021	91.83	114.65
(f) Vehicle loan (refer note 23.7)	INR	9.25% to 11.87%	2023	35.69	41.62
(g) Vehicle loan (refer note 23.7)	INR	8.00% to 10.00%	2023	1.63	4.03
Total borrowings				**1,185.60**	**2,657.41**

23.2 Non-convertible debentures

The Company in its Board of Directors Meeting held on 28 November 2016 passed a resolution to issue 1,500 redeemable non-convertible debentures at a face value of INR 1.00 million aggregating to INR 1,500.00 million. The proceeds from debentures shall be utilised for Company's long-term working capital, payment of transaction related expenses related to capital issue and general corporate purpose but shall not be used for any real estate business, equity trading/speculative business.

With effect from 24 January 2020, the debentures carry a coupon rate of 8.50% p.a. (previously 8.25% p.a) payable annually. Redemption of debentures shall be on the redemption date without any redemption premium. They are secured primarily by way of pari passu first charge on all the movable and immovable assets of the Company.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

23 Non-current borrowings* (Contd..)

23.2 Non-convertible debentures (Contd..)

(Amount in INR millions)

Particulars	Amount
Proceeds from issue of non-convertible debentures (1,500 debentures having face value of INR 1.00 million each)	1,500.00
Less: Transaction costs	(17.23)
Net proceeds	**1,482.77**
Add: Accrued interest	0.54
Carrying amount of liability at 31 March 2017	**1,483.31**
Add: Accrued interest	2.96
Carrying amount of liability at 31 March 2018	**1,486.27**
Add: Accrued interest	3.20
Carrying amount of liability at 31 March 2019	**1,489.47**
Less: Redeemed during the year (refer note 21.5)	(750.00)
Add: Accrued interest	8.62
Carrying amount of liability at 31 March 2020	**748.09**
Add: Accrued interest	1.91
Less: Redeemed during the year (refer note 21.5)	(750.00)
Carrying amount of liability at 31 March 2021	**-**

During the year ended 31 March 2021, the Company decided to exercise the call option for redemption of non-convertible debentures. Accordingly the outstanding NCD's of INR 750.00 million along with interest was repaid on 22 January 2021.

23.3 During the previous year ended 31 March 2020, the Group had availed term loan from BNS Asia Limited, Singapore amounting to SGD 34,587,785 which includes Facility A of SGD 20,000,000 and Facility B amounting to SGD 14,587,785. The loan carries interest rate at 3 months Singapore swap rate plus 2.00% per annum. Loan is primarily secured by way of first charge over entire fixed and current assets of Quesscorp Holdings Pte Ltd, excluding long-term investments in Group entities and pledge of shares of Comtel Solutions Pte Ltd. The repayment of Facility A shall be half yearly starting after six months from the first utilisation date. The repayment of Facility B shall be half yearly starting from 13 August 2019. The proceeds from the facilities were used for repayment of loan from Axis Bank Limited which was originally utilised for acquisition of Comtel Solutions Pte Ltd. The Facility from Axis Bank was completely repaid during the year ended 31 March 2020.

23.4 During the previous year ended 31 March 2020, the Group entered into Term loan and working capital facilities agreement with ICICI bank Canada for re-financing the original credit facility arrangement with ICCI bank Canada entered on 15 October 2015. The loan is repayable in quarterly instalments starting from 31 January 2020. The loan is secured by way of pledging of shares of Brainhunter Systems Limited, Mindwire Systems Limited, MFXchange Holdings, Inc. and MFXchange US, Inc.

23.5 The Company has entered into several agreements to lease certain computer hardware and software that are classified as capital leases. Secured by way of hypothecation of assets taken on lease and is repayable as per the repayment schedule over the period of lease. The loan was repaid during the year ended 31 March 2020.

23.6 The Group has taken term loan from National Skill Development Corporation ("NSDC") for Capital expenditure management. These facilities are repayable on quarterly basis and are secured primarily by way of bank guarantee, corporate guarantee and charge on project assets. The Group has availed principal moratorium period of one year from the date of first disbursement.

23.7 Vehicle loans are repayable in equal monthly instalments over a period of 3-5 years from the date of availing respective loan. The same is secured by hypothecation of the vehicles financed. Rate of interest is in the range of 8.00% to 11.87% p.a. and number of instalments pending for payments are ranging between 4 - 60 instalments.

23.8 The total carrying value of all the collateral is INR 4,731.17 millions.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

24 Lease liability

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current lease liability	1,778.09	2,194.38
Current lease liability	974.35	1,048.91
	2,752.44	**3,243.29**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2021 on an undiscounted basis:

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Less than one year	1,117.70	1,282.40
One to five years	1,891.27	2,437.68
More than five years	135.12	195.39

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 297.11 million (refer note 39).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

25 Other non-current financial liabilities

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Contingent consideration [payable for acquisition of business (refer note 48)]	-	29.73
Non-controlling interests put option [refer note 25.1, 25.2 and 57]	2,096.36	1,977.00
	2,096.36	**2,006.73**

25.1 This represents non-controlling interests put option pertaining to Vedang Cellular Services Private Limited and Conneqt Business Solutions Limited (formerly known as: Tata Business Support Services Limited).

25.2 During the previous year, the Company acquired additional 18.71% equity stake in Vedang Cellular Services Private Limited ("VCSP") at a consideration of INR 84.37 million, pursuant to the clauses relating to NCI-Put option of the Original Share purchase agreement dated 25 October 2017 among Quess Corp Limited, Vedang Radio Technology Private Limited, VCSP and Ashish Kapoor. On 02 February 2021, the Company acquired additional 3.76% equity stake in Vedang Cellular Services Private Limited ("VCSP") at a consideration of INR 6.97 million. As of 31 March 2021, the Company holds 92.47% equity stake in VCSP.

26 Non-current provisions

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for gratuity (refer note 49)	1,893.43	1,330.96
Provision for compensated absences	17.09	17.56
Others		
Provision for disputed claims (refer note 26.1 and 45)	71.18	111.98
	1,981.70	**1,460.50**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

26 Non-current provisions (Contd..)

26.1 Provisions for disputed claims movement

(Amount in INR millions)

Particulars	As at 31 March 2021	31 March 2020
Balance as at the beginning of the year	**111.98**	**111.98**
Provision recognized	-	-
Provision utilized	(40.79)	-
Balance as at the end of the year	**71.18**	**111.98**

Disputed claims

The Group had received a demand notice dated 12 June 2012 from Employees' Provident Fund (EPF) Organisation raising a demand of INR 42.89 million for the period from April 2008 to February 2012 for not contributing Provident fund, Pension fund, Deposit Linked Insurance Fund and administration charges in accordance with the definition of basic wages as contained in Section 2(b) of Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Group, based on an expert's opinion, is of the view that a part of the claim of the department is without foundation, while some part is still under debate and accordingly, provision is created based on the management estimate. The Group has appealed against the ruling which is pending in Employees' Provident Fund Appellate Tribunal, New Delhi. Accordingly, the Group has created INR 17.97 million provision and has paid INR 10.72 million as duty paid under protest. The balance amount of INR 24.92 million has been recognised as contingent liability.

The Group had received a demand notice dated 20 May 2017 from Assistant Commissioner of Commercial Taxes (ACCT) raising a demand of INR 37.56 million for the period from January 2016 to January 2017 for availment under composition scheme without separate registration certificate to run as a composite dealer. Avon Facility Management Services registered under the composite dealer scheme, was merged with Quess Corp Limited w.e.f 1 January 2014. Consequent to the merger Quess Corp Limited continued to pay VAT under composite scheme. The contention of the ACCT is that there was no separate registration post merger where as Quess Corp Limited have already intimated ACCT about the merger and also have applied electronically on K-Vat portal seeking separate registration under composite scheme. During the year ended 31 March 2019, the Company has received a demand notice dated 29 January 2019 from Deputy Commissioner of Commercial Taxes (DCCT) raising a demand of INR 39.97 million (including interest and penalty) for the period April 2016 to March 2017. The Company opted for the Comprehensive Karasamadhana Scheme, 2019 introduced by the Government of Karnataka for waiver of arrears of penalty and interest against the pending cases. Accordingly the Company has created an additional provision of INR 18.27 million during the previous year for the balance amount of demand thus making the total provision amounting INR 40.79 million. The total demand was settled through Comprehensive Karasamadhana Scheme, 2019 and the provision was reversed.

Service tax demands pending with the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"), Mumbai amounts to INR 154.02 million for the period from October 2007 to March 2016. Against these disputed claims Aravon Services Private Limited ("ASPL") has created provision for INR 53.21 million in its books of accounts and has paid INR 11.55 million as duty paid under protest. While performing the purchase price allocation of ASPL the Group has assessed the fair value of the remaining liability of INR 97.24 million. Accordingly, an amount of INR 42.52 million was included as provision for expenses and further provisions of INR 22.23 million was created during the year ended 31 March 2018 as part of annual assessment. ASPL was merged with Quess Corp Limited with effect from 1 April 2019 and the balance amount of INR 36.06 million has been recognised as contingent liability.

27 Current borrowings

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 27.1)	424.38	298.39
Bill discounting facility from bank (refer note 27.2)	21.93	47.67
Working capital loan (refer note 27.3)	3,525.08	8,480.54
Loan from related parties, unsecured		
From Fairfax (US), Inc. (refer note 27.4)	-	-
From Fairfax Financial Holdings Limited (refer note 27.5)	-	-
	3,971.39	**8,826.60**

Information about the Group's exposure to interest rate and liquidity risk is included in note 42.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

27 Current borrowings (Contd..)

27.1 The Group has taken cash credit and overdraft facilities having interest rates ranging from 1 month - 12 month MCLR ("Marginal cost of funds based lending rate") to MCLR+0.45%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current assets of the Group on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Group (excluding charge on vehicles/equipment's purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Group.

27.2 The Group has taken bill discounting and packing credit in foreign currency (PCFC) and post shipment credit in foreign currency (PSFC) facilities from banks having interest rate of bank's base rate plus 2.25%-2.50% p.a. These facilities are repayable on demand and are secured primarily by way of assets under charge movable property (not being pledge); hypothecation of all current & movable fixed assets.

27.3 The Group has taken working capital loan from banks having interest rate ranging from 5.25% p.a. to 10.50% p.a and CDOR ("Canadian Dealer Offered Rate") plus 2.50%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current assets of the Group on both present and future and collateral by way of pari passu first charge on the entire movable assets of the Group (excluding charge on vehicles/equipment's purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Group.

27.4 MFXchange US, Inc. had entered into an arrangement with Fairfax (US) Inc. to obtain a revolving credit facility upto INR 378.32 million (USD 5.00 million) which carries an interest rate of 3.00% - 5.00% per annum. Overdue interest shall bear interest at a rate that is 2% per annum in excess of the then applicable interest rate. The loan was repaid during the year ended 31 March 2020. Balance as at 31 March 2020 is Nil [31 March 2019: INR 276.62 million (USD 4.00 million)]

27.5 Interest free unsecured loan taken by Brainhunter Systems Limited from Fairfax Financial Holdings Limited {INR Nil (CAD Nil) [31 March 2019: INR 55.48 million (CAD 1.05 million)]} was repaid during the year ended 31 March 2020.

28 Trade payables

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 50)	27.84	-
Total outstanding to related parties (refer note 48)	9.57	162.56
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	1,175.07	1,470.01
	1,212.48	**1,632.57**

The Group's exposure to currency and liquidity risk related to trade payables is disclosed in note 42.

29 Other current financial liabilities

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (refer note 23)	642.53	1,492.70
Current maturities of finance lease obligations (refer note 23)	-	15.04
Interest accrued and not due	18.38	43.07
Amount payable to related parties (refer note 48)	27.24	27.98
Capital creditors	33.81	15.26
Unclaimed dividend	0.46	0.46
Other Payables		
Accrued salaries and benefits	3,479.43	2,963.78
Provision for bonus and incentive	445.28	522.48
Provision for expenses (refer note 48)	2,118.23	2,532.05
Uniform deposits	41.80	2.38
	6,807.16	**7,615.20**

The Group's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 42.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

30 Income tax liabilities (net)

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of advance tax) [refer note 9]	88.24	71.77
	88.24	**71.77**

31 Current provisions

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Provision for compensated absences	134.44	87.99
Other provisions		
Provision for warranty (refer note 31.1)	5.48	5.48
	139.92	**93.47**

31.1 Movement of Provision for warranty

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	5.48	-
Add: additions through business combinations [refer note 4 (ii)(c)]	-	5.39
Add: charged/(credited) to profit or loss	-	0.09
Add: Additional provisions	-	-
Less: Unused amount reversed	-	-
Balance as at the end of the year	**5.48**	**5.48**

Warranty

Provision for warranty is on account of warranties given on products sold by the Company. The amount of provision is based on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence. The timing and amount of cash flows that will arise from these matters will be determined at the time of receipt of claims.

32 Other current liabilities

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Unearned revenue	578.66	725.63
Advance received from customers	59.39	68.21
Balances payable to government authorities	2,551.22	2,609.25
Security deposits	49.24	152.61
	3,238.51	**3,555.70**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

33 Revenue from operations

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	31 March 2020
Revenue from business segments		
Workforce management	71,590.09	71,541.69
Operating asset management	16,883.08	17,340.44
Global technology solutions*	19,895.78	21,032.69
	1,08,368.95	**1,09,914.82**

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

(i) Disaggregation of revenue

The above break up presents disaggregated revenues from contracts with customers by each of the business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(ii) Trade receivables, unbilled revenue and unearned revenue

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables, unbilled revenue and unearned revenue from contracts with customers.

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables, which are included in 'Trade and other receivables'	8,944.86	9,982.07
Unbilled revenue	9,050.56	8,812.79
Unearned revenue	578.66	725.63

The unbilled revenue primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Unbilled revenues comprising revenues in excess of billings from time and material and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

The unearned revenue primarily relate to the advance consideration received from customer, for which revenue is recognised on completion of contract terms.

The following table discloses the movement in unbilled revenue balances for the year ended 31 March 2021

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	31 March 2020
Balance as at the beginning of the year	8,812.79	7,032.20
Add: Changes due to business combinations	285.63	150.75
Add: Revenue recognized during the year	27,265.11	23,134.60
Less: Invoiced during the year	(26,963.36)	(21,503.97)
Less: Impairment during the year	(363.07)	(33.91)
Add: Translation exchange difference	13.47	33.12
Balance as at the end of the year	**9,050.56**	**8,812.79**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

33 Revenue from operations (Contd..)

The following table discloses the movement in unearned revenue balances for the year ended 31 March 2021

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance as at the beginning of the year	725.63	757.34
Less: Revenue recognized during the year	(3,572.04)	(2,522.10)
Add: Invoiced during the period but not recognized as revenues during the year	3,426.71	2,468.72
Add: Translation exchange difference	(1.64)	21.67
Balance as at the end of the year	**578.66**	**725.63**

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the value of remaining performance obligations for:

(i) contracts with an original expected duration of one year or less and

(ii) contracts for which the Group recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2021, other than those meeting the exclusion criteria mentioned above, is INR 784.74 million (31 March 2020: INR 1,949.97 million). Out of this, the Group expects to recognize revenue of around 51.27% (31 March 2020: 50.00%) within the next one year and the remaining thereafter.

34 Other income

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income under the effective interest rate method on:		
Deposits with banks	60.35	95.85
Amortised cost adjustments for financial instruments	21.76	32.87
Interest on tax refunds received	311.20	23.55
Profit on sale of property, plant and equipment and intangible assets	-	6.97
Foreign exchange gain	-	64.43
Interest on loans given to related parties (refer note 48)	8.76	196.62
Net gain on sale of investments in mutual funds	3.50	66.04
Rent from letting out properties	2.39	2.46
Liabilities no longer required written back	0.43	16.32
Change in fair value of contingent consideration	-	18.50
Net fair value (loss)/gains on mutual funds	15.74	(37.27)
Miscellaneous income	26.77	24.55
	450.90	**510.89**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

35 Cost of material and stores and spare parts consumed

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	283.78	2,624.05
Add: Purchases	2,014.00	330.28
Less: Inventory at the end of the year	(290.29)	(283.78)
Cost of materials and stores and spare parts consumed	**2,007.49**	**2,670.55**

36 Employee benefits expenses

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	84,787.94	82,353.51
Contribution to provident and other funds	7,067.99	7,403.07
Expenses related to post-employment defined benefit plan	441.50	381.64
Expenses related to compensated absences	29.92	(119.58)
Staff welfare expenses	523.06	596.97
Expense on employee stock option scheme	118.02	18.77
	92,968.43	**90,634.38**

37 Finance costs

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities at amortized cost	754.07	1,205.30
Interest expense on non-convertible debentures	53.78	121.20
Interest expense on lease liabilities	265.09	298.12
Other borrowing costs	39.99	43.39
	1,112.93	**1,668.01**

38 Depreciation and amortisation expense

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment [refer note 3(a)]	592.78	653.96
Depreciation of right-of-use assets [refer note 3(b)]	1,221.35	1,195.88
Amortisation of intangible assets (refer note 5)	471.15	636.23
	2,285.28	**2,486.07**

39 Other expenses

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sub-contractor charges	2,049.69	2,146.84
Recruitment and training expenses	510.71	866.26
Rent (refer note 39.1)	297.11	289.45
Power and fuel	260.56	426.44
Repairs & maintenance		

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

39 Other expenses (Contd..)

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- buildings	156.20	339.17
- plant and machinery	372.93	328.96
- others	790.62	741.06
Legal and professional fees	629.78	576.66
Rates and taxes	139.10	185.61
Printing and stationery	50.95	106.48
Stores and tools consumed	275.39	204.71
Shipment delivery expenses	131.95	582.32
Travelling and conveyance	526.26	919.87
Communication expenses	379.31	460.21
Loss allowance on financial assets, net [refer note 42 (i)]	1,225.02	235.86
Equipment hire charges	116.06	254.24
Insurance	215.66	323.43
Database access charges	48.26	52.00
Technological support services	8.75	23.72
Bank charges	26.71	25.26
Business promotion and advertisement expenses	340.91	518.95
Marketing expenses	39.67	196.87
Loss on sale of fixed assets, net	0.62	38.46
Foreign exchange loss, net	99.54	-
Expenditure on corporate social responsibility (refer note 39.2)	56.15	51.88
Deposits/advances written-off	2.13	71.28
Miscellaneous expenses	61.89	65.88
	8,811.93	**10,031.87**

39.1 Details of rent:

Represents lease rentals for short term leases.

The Company has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs on 24 July 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Company recognised an amount INR 85.83 million in the consolidated financial statements for the year ended 31 March 2021 as reduction of rent expenses grouped under other expenses on account of rent concessions received.

39.2 Details of CSR expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2.00% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility ("CSR") activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds required to be spent and funds spent during the year with respect to the Group are explained below:

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Group during the year	56.11	50.37
b) Amount spent during the year		
i) Construction or acquisition of any asset	-	-
ii) On purpose other than i) above	56.15	51.88

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

40 Exceptional items

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	31 March 2020
Impairment loss allowance on:		
Goodwill [refer note 4 (i)]	-	5,062.86
Intangible assets [refer note 4 (i) and 5]	-	1,334.81
Loans given to associates (refer note 7.1)	-	242.85
Gain on sale of subsidiary [refer note 4 ii (e)]	76.62	-
Fair value gain on acquisition [refer note 4 ii (a)]	250.26	-
	326.89	**6,640.52**

41 Financial instruments - fair value and risk management

Financial instruments by category

(Amount in INR millions)

Particulars	Note	31 March 2021			31 March 2020		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets:							
Non-current investments	6	-	16.55	-	-	16.55	-
Loans	7 & 16	-	-	1,267.70	-	-	2,218.00
Current investments	12	497.08	-	-	333.90	-	-
Trade receivables	13	-	-	8,944.86	-	-	9,982.07
Cash and cash equivalents including other bank balances	14 & 15	-	-	5,645.68	-	-	7,587.23
Unbilled revenue	17	-	-	9,050.56	-	-	8,812.79
Other financial assets	8 & 18	-	-	689.79	-	-	681.15
Total financial assets		**497.08**	**16.55**	**25,598.59**	**333.90**	**16.55**	**29,281.24**
Financial Liabilities:							
Non-convertible debentures	23	-	-	-	-	-	748.09
Borrowings other than above*	23 & 27	-	-	4,514.46	-	-	9,228.18
Trade payables	28	-	-	1,212.48	-	-	1,632.57
Lease liabilities	24	-	-	2,752.44	-	-	3,243.29
Other financial liabilities	25 & 29	2,096.36	-	6,807.16	2,006.73	-	7,615.20
Total financial liabilities		**2,096.36**	**-**	**15,286.54**	**2,006.73**	**-**	**22,467.33**

*Current maturities of long-term borrowings forms part of other financial liabilities.

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

41 Financial instruments - fair value and risk management (Contd..)

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2021	Level 1	Level 2	Level 3
Financial assets not measured at fair value					
Loans	7 & 16	1,267.70	-	-	-
Trade receivables	13	8,944.86	-	-	-
Cash and cash equivalents including other bank balances	14 & 15	5,645.68	-	-	-
Unbilled revenue	17	9,050.56	-	-	-
Other financial assets	8 & 18	689.79	-	5.06	-
Financial assets measured at fair value					
Non-current investments	6	16.55	-	-	16.55
Current investments	12	497.08	497.08	-	-
Total financial assets		**26,112.22**	**497.08**	**5.06**	**16.55**
Financial liabilities not measured at fair value					
Non-convertible debentures	23	-	-	-	-
Lease liabilities	24	2,752.44	-	-	-
Borrowings other than above*	23 & 27	4,514.46	-	-	-
Trade payables	28	1,212.48	-	-	-
Other financial liabilities	25 & 29	4,054.72	-	-	-
Financial liabilities measured at fair value					
Contingent consideration	25	-	-	-	-
Non-controlling interests put option	25	2,096.36	-	-	2,096.36
Total financial liabilities		**14,630.46**	**-**	**-**	**2,096.36**

*Current maturities of long-term borrowings forms part of other financial liabilities

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2020	Level 1	Level 2	Level 3
Financial assets not measured at fair value					
Loans	7 & 16	2,218.00	-	-	-
Trade receivables	13	9,982.07	-	-	-
Cash and cash equivalents including other bank balances	14 & 15	7,587.23	-	-	-
Unbilled revenue	17	8,812.79	-	-	-
Other financial assets	8 & 18	681.15	-	-	-
Financial assets measured at fair value					
Non-current investments	6	16.55	-	-	16.55
Current investments	12	333.90	333.90	-	-
Total financial assets		**29,631.70**	**333.90**	**-**	**16.55**
Financial liabilities not measured at fair value					
Non-convertible debentures	23	748.09	748.09	-	-
Lease liabilities	24	3,258.33	-	-	-
Borrowings other than above*	23 & 27	9,228.18	-	-	-
Trade payables	28	1,632.57	-	-	-
Other financial liabilities	25 & 29	4,356.87	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

41 Financial instruments - fair value and risk management (Contd..)

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2020	Level 1	Level 2	Level 3
Financial liabilities measured at fair value					
Contingent consideration	25	29.73	-	-	29.73
Non-controlling interests put option	25	1,977.00	-	-	1,977.00
Total financial liabilities		**21,230.77**	**748.09**	**-**	**2,006.73**

*Current maturities of long-term borrowings forms part of other financial liabilities

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and non-convertible debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A Financial Assets:

1) The Group has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances, unbilled revenue and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

2) Current investments: The fair values of investments in mutual fund units disclosed as current investments is based on the net asset value (''NAV'') as stated by the issuers of these mutual fund units in the published statements as at the reporting date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

B Financial Liabilities:

1) **Non-convertible debentures (quoted):** The fair values of the Group's interest-bearing debentures are determined by using Discounted cash flow ("DCF") method using discount rate that reflects the issuer's coupon rate as at the end of the reporting period.

2) **Borrowings:** The fair value of non-current borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Group since the date of inception of the loans. The current borrowings which includes cash credit and overdraft facilities, working capital loan, bill discounting facilities, loan from related parties and loan from others are classified and subsequently measured in the consolidated financial statements at amortised cost. Considering that the interest rate on the loan is reset on a monthly/ quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.

3) **Finance lease obligations:** The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

4) **Trade payables and other financial liabilities:** Fair values of trade payables and other financial liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the carrying values.

5) **Contingent consideration:** The fair value of contingent consideration is determined by using a discount rate that reflects the likely amount to be paid out over the years as earn out which has been calculated using pre-tax cash flow projections based on financial budgets approved by management covering a five-year period.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

41 Financial instruments - fair value and risk management (Contd..)

B Financial Liabilities: (Contd..)

6) **Financial liability:** The fair value of financial liability has been determined by discounting consideration payable on commitment to sell. The probability of the estimate within the range can be reasonably assessed and are used in the management's estimates of fair value of the put option.

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

(Amount in INR millions)

Particulars	Fair value as at 31 March 2021	Significant unobservable inputs	Fair value as at 31 March 2021		Sensitivity
			Increase by 1%	Decrease by 1 %	
Non-controlling interests put option	16.36	Risk adjusted discount rate	16.19	16.53	Increase in discount rate by 1% would decrease the fair value by INR 0.16 million and decrease in discount rate by 1% would increase the fair value by INR 0.16 million.
		EBITDA projection	16.58	16.14	Increase in EBITDA projection by 1% would increase the fair value by INR 0.22 million and decrease in EBITDA projection by 1% would decrease the fair value by INR 0.22 million.
		Revenue projection	16.58	16.14	Increase in revenue projection by 1% would increase the fair value by INR 0.22 million and decrease in revenue projection by 1% would decrease the fair value by INR 0.22 million.

(Amount in INR millions)

Particulars	Fair value as at 31 March 2020	Significant unobservable inputs	Fair value as at 31 March 2020		Sensitivity
			Increase by 1%	Decrease by 1 %	
Non-controlling interests put option	1,977.00	Risk adjusted discount rate	1,866.77	2,087.23	Increase in discount rate by 1% would decrease the fair value by INR 110.23 million and decrease in discount rate by 1% would increase the fair value by INR 110.23 million.
		EBITDA projection	1,993.61	1,960.39	Increase in EBITDA projection by 1% would increase the fair value by INR 16.61 million and decrease in EBITDA projection by 1% would decrease the fair value by INR 16.61 million.
		Revenue projection	1,993.61	1,960.39	Increase in revenue projection by 1% would increase the fair value by INR 16.61 million and decrease in revenue projection by 1% would decrease the fair value by INR 16.61 million.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

41 Financial instruments - fair value and risk management (Contd..)

Reconciliation of level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values:

(Amount in INR millions)

Particulars	Fair value through other comprehensive income	Fair value through profit and loss		
	Other non-current investments (unquoted)	Contingent consideration	Non-controlling interests put option	Financial liability*
Balance as at 31 March 2019	**16.55**	**47.60**	**1,921.86**	**-**
Settlement	-	-	(84.38)	-
Net change in fair value	-	(17.87)	139.52	-
Balance as at 31 March 2020	**16.55**	**29.73**	**1,977.00**	**-**
Settlement	-	(38.62)	(6.97)	-
Net change in fair value	-	8.89	126.33	-
Balance as at 31 March 2021	**16.55**	**-**	**2,096.36**	**-**

*Financial liability includes contractual commitments to acquire non-controlling interest, which has been accounted separately other than put option.

42 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Board of Directors of Quess Corp Limited has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and current asset. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Credit risk on cash and cash equivalents and other bank balances and bank deposits is limited as the Group generally invests in deposits with banks with high credit ratings assigned by credit rating agencies. Current investments comprises of investment in mutual funds invested with mutual fund institutions having high credit ratings assigned by credit rating agencies. The loan represents security deposits given to suppliers, employees and others. The credit risk associated with such loans is relatively low.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

42 Financial risk management (Contd..)

Trade receivables and unbilled revenue

The Group's exposure to credit risk is influenced mainly by trade receivables and unbilled revenue. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in India.

The Group has established a credit policy under which each customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for customers as at 31 March 2021 and 31 March 2020 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue.

Depending on the diversity of its customer base, the company has considered to group its customers into two types: government customers and non-government customers during the year ended 31 March 2021.

For non-government customers, based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over the last six quarters. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of trade receivables and unbilled revenue. The loss rates considers the credit risk of the customers and have been adjusted to reflect the Management's view of future economic conditions over the expected collection period of the receivables. For government customers, based on the industry benchmarking and insignificant credit risk, a provision matrix primarily based on the time based movement within the life cycle of customer receivable is considered. For time based ageing, the company used appropriate loss rate which is increased by yearly multiplier to arrive at effective ECL provision for respective ageing buckets. The loss rate has been adjusted with additional facts to reflect the Management's view of future economic conditions over the expected collection period of the government receivables.

The movement in the allowance for impairment in respect of trade receivables from customers and unbilled revenue is as follows:

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance as at the beginning of the year	679.98	597.28
Additions through business combinations	337.69	1.98
Disposals	(15.35)	-
Loss allowance recognised/ (reversed) under expected credit loss model	1,214.35	235.86
Bad debts written off	(191.49)	(155.85)
Translation exchange differences	(0.63)	0.71
Balance as at the end of the year	**2,024.56**	**679.98**

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecast of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits and other financial instruments. This is generally carried out in accordance with practice and limits set by the Group. The limits vary to take into account the liquidity of the market in which the Group operates.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

42 Financial risk management (Contd..)

Financing arrangement

The Group maintains the line of credit as explained in note 27:

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and exclude netting arrangements:

As at 31 March 2021

(Amount in INR millions)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	5,156.99	4,625.44	340.02	191.53	-
Trade payables	1,212.48	1,212.48	-	-	-
Lease liabilities	2,752.44	960.99	1,203.05	485.25	103.15
Other financial liabilities	8,260.99	8,260.99	-	-	-

*Current maturities of long-term borrowings are included under borrowings and excluded from other financial liabilities

As at 31 March 2020

(Amount in INR millions)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	11,484.01	10,334.34	845.74	303.93	-
Trade payables	1,632.57	1,632.57	-	-	-
Lease liabilities	3,243.29	2,695.45	273.64	269.64	4.56
Other financial liabilities	8,129.23	8,129.23	-	-	-

*Current maturities of long-term borrowings are included under borrowings and excluded from other financial liabilities

The Group has a strong focus on liquidity and maintains a robust cash position to ensure adequate cover for responding to potential short-term market dislocation. Cash generated through operating activities remains the primary source for liquidity along with undrawn borrowing facilities and levels of cash and cash equivalents.

As disclosed in note 23 and note 27, the Group have secured bank loans that contains loan covenants. A future breach of covenants may require Group to repay the loans earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group companies.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Foreign currency*	Amount in INR millions	Foreign currency*	Amount in INR millions
Trade and other receivables	USD	2,16,02,019	1,579.32	18,30,577	132.00
	EURO	-	-	1,11,476	8.85
	CAD	79,54,331	461.55	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

42 Financial risk management (Contd..)

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Foreign currency*	Amount in INR millions	Foreign currency*	Amount in INR millions
	AED	5,73,266	11.41	11,57,909	23.85
	GBP	2,36,336	23.81	2,49,526	23.32
	HKD	4,35,000	4.09	-	-
	PHP	89,43,445	13.51	1,62,17,839	23.85
	QAR	9,95,379	19.87	11,718	0.24
	SGD	7,91,562	43.02	-	-
Trade and other payables	USD	5,64,753	41.29	9,38,054	70.75
	EURO	-	-	10,080	0.83
	CAD	1,18,92,310	690.05	-	-
	AED	31,385	0.62	32,686	0.67
	MYR	6,35,745	11.21	-	-
	PHP	1,14,28,533	17.26	1,19,948	0.18
	BDT	81,854	0.07	-	-
	SAR	16,000	0.31	19,522	0.39

*Foreign currency values are in actuals and not recorded in million.

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2021	31 March 2020
USD/INR	73.11	74.47
EUR/INR	85.75	82.77
CAD/INR	58.03	53.08
SAR/INR	19.49	20.15
AED/INR	19.91	20.60
GBP/INR	100.75	93.50
HKD/INR	9.41	9.76
MYR/INR	17.63	17.52
PHP/INR	1.51	1.47
QAR/INR	19.96	20.64
100 VND/INR	0.00	0.32
CNH/INR	11.14	10.65
SGD/INR	54.35	51.04
BDT/INR	0.86	0.88

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

42 Financial risk management (Contd..)

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD, CAD, EUR, AED, GBP, HKD, MYR, PHP, QAR, SGD and BDT against INR at 31 March 2021 and 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and the consolidated statement profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant:

(Amount in INR millions)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
USD (1.82% movement)	28.00	(28.00)	20.95	(20.95)
CAD (9.31% movement)	(21.28)	21.28	(15.92)	15.92
SAR (3.26% movement)	(0.01)	0.01	(0.01)	0.01
AED (3.37% movement)	0.36	(0.36)	0.27	(0.27)
GBP (7.75% movement)	1.85	(1.85)	1.38	(1.38)
HKD (3.64% movement)	0.15	(0.15)	0.11	(0.11)
MYR (0.67% movement)	(0.08)	0.08	(0.06)	0.06
PHP (2.69% movement)	(0.10)	0.10	(0.08)	0.08
QAR (3.28% movement)	0.65	(0.65)	0.49	(0.49)
SGD (6.49% movement)	2.79	(2.79)	2.09	(2.09)
BDT (1.47% movement)	0.00	(0.00)	0.00	(0.00)
31 March 2020				
USD (7.68% movement)	51.04	(51.04)	38.19	(38.19)
EUR (6.56% movement)	5.51	(5.51)	4.12	(4.12)
SAR (9.27% movement)	(0.36)	0.36	(0.27)	0.27
AED (9.41% movement)	21.82	(21.82)	16.33	(16.33)
GBP (3.29% movement)	7.67	(7.67)	5.74	(5.74)
PHP (11.55% movement)	27.33	(27.33)	20.45	(20.45)
QAR (8.65% movement)	0.21	(0.21)	0.16	(0.16)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's borrowing comprises of vehicle loans, working capital loans, finance lease obligations, loan from related parties and debentures which carries fixed rate of interest, which do not expose it to interest rate risk. The borrowings also includes cash credit, bill discounting and term loan facilities and loans from related parties which carries variable rate of interest.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	5,027.84	2,625.64
Fixed rate borrowings	129.15	8,858.37
Total borrowings	**5,156.99**	**11,484.01**

Total borrowings considered above includes current maturities of long-term borrowings.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

42 Financial risk management (Contd..)

b) Interest rate risk

(b) Sensitivity

(Amount in INR millions)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2021				
Variable rate borrowings	(50.28)	50.28	(37.62)	37.62
31 March 2020				
Variable rate borrowings	(26.26)	26.26	(19.65)	19.65

The sensitivity analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

c) Price risk

(a) Price risk exposure

The Group's exposure to price risk arises from investments held by the Group in the mutual fund units and classified as fair value through profit or loss in the consolidated balance sheet. To manage its price risk arising from investments in mutual fund units, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The majority of the Company's mutual fund investments are publicly traded and are listed on the recognised stock exchanges. The exposure of the Group's mutual fund investments to security price changes at the end of the reporting period are as follows:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments in mutual fund units	497.08	333.90

(b) Sensitivity

(Amount in INR millions)

Particulars	Impact on profit after tax	
	1% Increase	1% decrease
31 March 2021	4.97	(4.97)
31 March 2020	3.34	(3.34)

The sensitivity analysis is prepared assuming the amount of mutual funds outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting price risk internally to key management personnel and represents management's assessment of the reasonably possible change in prices.

43 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximise shareholder value.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as aggregate of non-current borrowings, current borrowings, current maturities of long-term borrowings and current maturities of finance lease obligations less cash and cash equivalents.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

43 Capital management

The Group's policy is to keep the ratio below 2.00. The Group's adjusted net debt to equity ratio is as follows:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross debt	5,156.99	11,484.01
Less: Cash and cash equivalents	4,857.19	7,091.24
Adjusted net debt	**299.80**	**4,392.77**
Total equity	23,431.10	22,759.40
Net debt to equity ratio	**0.01**	**0.19**

44 Capital commitments

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	62.31	159.56
	62.31	**159.56**

45 Contingent liabilities and commitments (to the extent not provided for)

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Corporate guarantee given as security for loan availed by related party [refer note 45.4]	-	220.00
Bonus [refer note 45.5]	325.88	325.88
Provident fund [refer note 45.1, 45.3 and 45.6]	14.22	32.17
Direct and indirect tax matters [refer note 45.1 and 45.3]	93.92	93.92
Other claims [refer note 45.2 and 45.3]	41.46	41.46

45.1 Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group is contesting the demand and the Management believes that its position will likely be upheld. The Management believes that the outcome of this proceedings will not have material adverse effect on the Group's financial position and results of operations.

45.2 The Group received a demand from the Tamil Nadu Electricity Board for an amount of INR 10.90 million in January 2008 relating to reclassification disputes on the tariff category applicable to the Group in two of its delivery centres with retrospective effect from 2005. The Group has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Group considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

45.3 The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect outcome of these proceedings to have a material adverse effect on its financial position.

45.4 The Group has given guarantees to banks for the loans availed by the related parties to make good any default made by its related parties in re-payment to banks.

Movement of corporate guarantee given to related party during the current year is as follows:

(Amount in INR millions)

Particulars	As at 1 April 2020	Given during the period 1 April 2020 to 27 May 2020	Expired during the period 1 April 2020 to 27 May 2020	As at 27 May 2020*
Terrier Security Services (India) Private Ltd	220.00	-	-	220.00
Total	**220.00**	**-**	**-**	**220.00**

*Terrier became subsidiary of the Company with effect from 27 May 2020

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

45 Contingent liabilities and commitments (to the extent not provided for)

Movement of corporate guarantee given to related party during the current year is as follows: (Contd..)

(Amount in INR millions)

Particulars	1 April 2019	Given during the financial year	Expired during the financial year	31 March 2020
Terrier Security Services (India) Private Ltd	220.00	220.00	(220.00)	220.00
Total	**220.00**	**220.00**	**(220.00)**	**220.00**

45.5 The Payment of Bonus (Amendment) Act, 2015 (hereinafter referred to as the Amendment Act, 2015) has been enacted on 31 December 2015, according to which the eligibility criteria of salary or wages has been increased from INR 10,000.00 per month to INR 21,000.00 per month [Section 2(13)] and the ceiling for computation of such salary or wages has been increased from INR 3,500.00 per month to INR 7,000.00 per month or the minimum wage for the scheduled employment, as fixed by the appropriate government, whichever is higher. The reference to scheduled employment has been linked to the provisions of the Minimum Wages Act, 1948. The Amendment Act, 2015 is effective retrospectively from 1 April 2014.

For the period ended 31 March 2015, the Company has obtained a legal opinion from an external lawyer and was advised to take a position that the stay granted by the two High Courts of India on the retrospective application of the amendment would have a persuasive effect even outside the boundaries of the relevant states and accordingly no provision is currently required. The same if incurred by the Company will be billed back to customers including service charges. Accordingly an amount of INR 325.88 million being bonus for such retrospective period has been considered as contingent liability.

45.6 During the previous year ended 31 March 2020, the Company had received a notice from the Regional PF Commissioner ("RPFC") under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the Act") stating that Company has failed to remit Provident Fund ("PF") on wages for its employees for the period from April 2018 to March 2019 on the grounds that PF deductions were not made on certain components of the salary amounting to INR 716.56 million. On 26 August 2019, the Company filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-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. Consequent to the appeal, on 23 October 2019 the CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order for a period of 3 months. The matter has been further adjourned to 16 July 2021. The Company has obtained external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been wrongly determined by the RPFC. Further the Company has contractual rights with its customers wherein any such statutory liabilities could be passed on to them and the Company has obtained confirmation from the customers in this regard. Based on the legal advice, pending the hearing of the appeal and contractual arrangement with customers, no provision or contingent liability has been recognised or disclosed.

46 Earnings per share

(Amount in INR millions except number of shares and per share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Nominal value of equity shares (INR per share)	10.00	10.00
(Loss)/profit after tax for the purpose of earnings per share (INR in million)	578.77	(4,446.93)
Weighted average number of shares used in computing basic earnings per share	14,72,38,082	14,68,41,985
Basic (loss)/earnings per share (INR)	**3.92**	**(30.28)**
Weighted average number of shares used in computing diluted earnings per share	14,93,54,318	14,71,29,275
Diluted (loss)/earnings per share (INR)	**3.87**	**(30.22)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

46 Earnings per share (Contd..)

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2021	31 March 2020
Number of equity shares outstanding at beginning of the year	14,71,29,275	14,60,84,833
Add: Weighted average number of equity shares issued during the year		
- 58,960 number of equity shares issued under ESOP scheme on 11 May 2020 for 325 days	52,499	-
- 13,667 number of equity shares issued under ESOP scheme on 27 May 2020 for 309 days	11,570	-
- 54,624 number of equity shares issued under ESOP scheme on 24 July 2020 for 251 days	37,563	-
- 40,919 number of equity shares issued under ESOP scheme on 27 January 2021 for 64 days	7,175	-
- 132,744 number of equity shares issued for TCIL merger on 1 April 2019 for 366 days [refer note 20.1 (ii)]	-	1,32,744
- 19,095 number of equity shares issued under ESOP scheme on 17 April 2019 for 350 days	-	18,260
- 519,585 number of equity shares issued under ESOP scheme on 30 October 2019 for 154 days	-	2,18,623
- 754,437 number of equity shares issued under preferential allotment on 26 September 2019 for 188 days [refer note 20.1]	-	3,87,525
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**14,72,38,082**	**14,68,41,985**
Add: Impact of potentially dilutive equity shares		
- 2,904,165 (31 March 2020: 299,476) number of ESOP's at fair value	21,16,236	2,87,290
Weighted average number of shares outstanding at the end of year for computing diluted earnings per share	**14,93,54,318**	**14,71,29,275**

47 Segment reporting

The Chief Executive Officer and Managing Director of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by service offerings. Accordingly, segment information has been presented for service offerings.

Operating segment

The Group's business is concentrated in various service offerings like temporary staffing services, executive search, contingency recruitment, housekeeping and facility management services, food services, skill development and training services and accordingly primary segment information is presented on the following service offerings:

Reportable segment

Workforce Management	It provides comprehensive staffing services and solutions including general staffing, IT staffing, recruitment and executive search, recruitment process outsourcing as well as payroll, compliance and background verification services, training and skill development, logistic services.
Operating Asset Management	It provides services including janitorial services, security services, electro-mechanical services, pest control, food and hospitality services, industrial operations and maintenance services and related asset record maintenance services.
Global Technology Solutions	It provides BPO services, break fix services and technology solutions and products.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

47 Segment reporting (Contd..)

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. The Group has a corporate centre, which provides various accounting and administrative support function. Segment information for this activity has been aggregated under "Unallocated". Revenue identifiable to business segments have been disclosed under the respective business segment. Segment costs include employee benefit expense, cost of material consumed, recruitment and training expenses, stores and tools consumed, sub-contractor charges and operating expenses that can be allocated on a reasonable basis to respective segments. Assets and liabilities in relation to segments are categorized based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as these are used interchangeably. The Group therefore believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly these are separately disclosed as 'Unallocated'.

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

Customers in general staffing, training & skill development and professional staffing business have been presented as a new reportable segment 'Workforce management' which was previously included under People services & 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 & 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 Global technology solutions' 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.

A Operating segment information for the period from 1 April 2020 to 31 March 2021 is as follows:

(Amount in INR millions)

Particulars	Workforce Management	Operating Asset Management	Global Technology Solutions	Unallocated	Total
Segment revenue	71,590.09	16,883.08	19,895.78	-	1,08,368.95
Segment cost	69,307.02	16,559.86	17,193.65	-	1,03,060.53
Segment result	**2,283.07**	**323.22**	**2,702.13**	**-**	**5,308.42**
Other income	-	-	-	450.90	450.90
Depreciation and amortisation expense	-	-	-	(2,285.28)	(2,285.28)
Finance costs	-	-	-	(1,112.93)	(1,112.93)
Unallocated corporate expenses	-	-	-	(727.32)	(727.32)
Exceptional items	-	-	-	326.89	326.89
Share of profit/ (loss) of equity accounted investees (net of income tax)	-	-	-	(114.27)	(114.27)
Profit before taxation	**2,283.07**	**323.22**	**2,702.13**	**(3,462.01)**	**1,846.41**
Taxation				(1,109.52)	(1,109.52)
Profit after taxation	**2,283.07**	**323.22**	**2,702.13**	**(4,571.53)**	**736.89**
Segment assets	13,015.55	10,536.26	11,963.37	11,686.93	47,202.11
Segment liabilities	5,310.18	3,497.12	6,333.33	7,691.08	22,831.71
Capital expenditure	37.31	45.85	498.38	70.12	651.66

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

47 Segment reporting (Contd..)

Operating segment information for the period from 1 April 2019 to 31 March 2020 is as follows:

(Amount in INR millions)

Particulars	Workforce Management	Operating Asset Management	Global Technology Solutions	Unallocated	Total
Segment revenue	71,541.69	17,340.44	21,032.69	-	1,09,914.82
Segment cost	(67,667.37)	(16,116.89)	(18,705.53)	-	(1,02,489.79)
Segment result	**3,874.32**	**1,223.55**	**2,327.16**	**-**	**7,425.03**
Other income	-	-	-	510.89	510.89
Depreciation and amortisation expense	-	-	-	(2,486.07)	(2,486.07)
Finance costs	-	-	-	(1,668.01)	(1,668.01)
Unallocated corporate expenses	-	-	-	(847.01)	(847.01)
Exceptional items	-	-	-	(6,640.52)	(6,640.52)
Share of profit/ (loss) of equity accounted investees (net of income tax)	-	-	-	(138.33)	(138.33)
Loss before taxation	**3,874.32**	**1,223.55**	**2,327.16**	**(11,269.05)**	**(3,844.02)**
Taxation	-	-	-	(474.76)	(474.76)
Loss after taxation	**3,874.32**	**1,223.55**	**2,327.16**	**(11,743.81)**	**(4,318.78)**
Segment assets	13,370.84	10,597.05	13,188.46	16,028.86	53,185.21
Segment liabilities	4,503.70	3,270.23	7,739.98	14,142.86	29,656.77
Capital expenditure	263.01	67.33	409.47	4.15	743.96

B Geographic information

The geographical information analyses the Group's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets which have been based on the geographical location of the assets.

(Amount in INR millions)

Geographic information	Revenue		Non-current assets*	
	For the year ended		As at	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
India	94,905.13	96,900.25	14,697.81	16,327.68
Other countries:				
- Singapore	5,383.91	5,017.26	2,012.50	2,222.94
- Canada	2,647.03	2,839.33	480.52	445.95
- United States of America	2,347.36	2,335.79	774.61	815.13
- Rest of the world	3,085.51	2,822.19	398.78	325.31
Total	**1,08,368.95**	**1,09,914.82**	**18,364.22**	**20,137.01**

*Non-current assets exclude financial instruments and deferred tax assets.

The Group has disclosed the investments in equity accounted investees as the geographic information of non-current assets because they are regularly provided to the CODM.

C Major customer

None of the customers of the Group has revenue which is more than 10.00 % of the Group's total revenue.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

48 Related party disclosures

(i) Name of related parties and description of relationship:

- Entities having significant influence	Fairfax Financial Holdings Limited
	Fairbridge Capital (Mauritius) Limited
	Thomas Cook (India) Limited (till 1 April 2019) [refer note 20.1 (ii)]
	FFHL Group Ltd.
	Fairfax (Barbados) International Corp.
	Isaac Enterprises Private limited
- Subsidiaries, associates and joint venture	Refer note 48 (ii)
- Entities having common directors	Go Digit Infoworks Service Private Limited
	Go Digit General Insurance Limited
	Net Resources Investments Private Limited
	National Collateral Management Services Limited
- Entity in which key managerial personnel have significant influence	Careworks foundation

Key executive management personnel

Ajit Isaac	Chairman and Managing Director (upto 31 March 2021)
	Executive Chairman (w.e.f. 1 April 2021)
Subrata Kumar Nag	Executive Director & Group Chief Executive Officer (upto 31 March 2020)
K. Suraj Moraje	Executive Director (w.e.f 4 November 2019)
	Group Chief Executive Officer and Executive Director (w.e.f 1 April 2020)
	Group Chief Executive Officer and Managing Director (w.e.f 1 April 2021)
Subramanian Ramakrishnan	Chief Financial Officer (upto 31 March 2021)
N. Ravi Vishwanath	Chief Financial Officer (w.e.f 01 April 2021)
Kundan K. Lal	Company Secretary (w.e.f. 17 April 2019)

(ii) List of subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Note	Nature of relation	Country of domicile	Holdings as at	
				31 March 2021	31 March 2020
MFX Infotech Private Limited		Subsidiary	India	100.00%	100.00%
Brainhunter Systems Ltd.		Subsidiary	Canada	100.00%	100.00%
Mindwire Systems Limited	1	Subsidiary	Canada	100.00%	100.00%
Quess (Philippines) Corp.		Subsidiary	Philippines	100.00%	100.00%
Quess Corp (USA) Inc.		Subsidiary	USA	100.00%	100.00%
Quesscorp Holdings Pte. Ltd.		Subsidiary	Singapore	100.00%	100.00%
Quess Corp Vietnam LLC		Subsidiary	Vietnam	100.00%	100.00%
Quessglobal (Malaysia) SDN. BHD.	2	Subsidiary	Malaysia	100.00%	100.00%
Quess Corp Lanka (Private) Limited	2	Subsidiary	Sri Lanka	100.00%	100.00%
Comtel Solutions Pte. Ltd.	2	Subsidiary	Singapore	100.00%	100.00%
MFXchange Holdings, Inc.		Subsidiary	Canada	100.00%	100.00%
MFXchange US, Inc.	3	Subsidiary	USA	100.00%	100.00%
Dependo Logistics Solutions Private Limited	4	Subsidiary	India	-	100.00%
Excelus Learning Solutions Private Limited		Subsidiary	India	100.00%	100.00%
Conneqt Business Solution Limited		Subsidiary	India	70.00%	70.00%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

48 Related party disclosures (Contd..)

(ii) List of subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Note	Nature of relation	Country of domicile	Holdings as at	
				31 March 2021	31 March 2020
Vedang Cellular Services Private Limited	5	Subsidiary	India	92.47%	88.71%
Golden Star Facilities and Services Private Limited		Subsidiary	India	100.00%	100.00%
Comtelpro Pte. Limited.	2	Subsidiary	Singapore	100.00%	100.00%
Comtelink Sdn. Bhd		Subsidiary	Malaysia	100.00%	100.00%
Monster.com (India) Private Limited		Subsidiary	India	99.99%	99.99%
Monster.com.SG PTE Limited		Subsidiary	Singapore	100.00%	100.00%
Monster.com HK Limited		Subsidiary	Hong Kong	100.00%	100.00%
Agensi Pekerjaan Monster Malaysia SDN. BHD.		Subsidiary	Malaysia	49.00%	49.00%
Quesscorp Management Consultancies	2	Subsidiary	Dubai, UAE	100.00%	100.00%
Quesscorp Manpower Supply Services LLC	2	Subsidiary	Dubai, UAE	100.00%	100.00%
Qdigi Services Limited		Subsidiary	India	100.00%	100.00%
Greenpiece Landscapes India Private Limited		Subsidiary	India	100.00%	100.00%
Simpliance Technologies Private Limited		Subsidiary	India	53.00%	53.00%
Allsec Technologies Limited		Subsidiary	India	73.38%	73.38%
Allsectech Inc., USA	6	Subsidiary	USA	73.38%	73.38%
Allsectech Manila Inc., Philippines	6	Subsidiary	Philippines	73.38%	73.38%
Retreat Capital Management Inc., USA	6 and 10	Subsidiary	USA	-	73.38%
Trimax Smart Infraprojects Private Limited		Subsidiary	India	100.00%	100.00%
Quess Services Limited		Subsidiary	Bangladesh	100.00%	100.00%
Terrier Security Services (India) Private Limited	7	Subsidiary	India	74.00%	49.00%
Quess East Bengal FC Private Limited	8	Subsidiary	India	100.00%	70.00%
Heptagon Technologies Private Limited		Associate	India	49.00%	49.00%
Quess Recruit, Inc.		Associate	Philippines	25.00%	25.00%
Agency Pekerjaan Quess Recruit SDN. BHD.		Associate	Malaysia	49.00%	49.00%
Stellarslog Technovation Private Limited	9	Associate	India	16.12%	-
Himmer Industrial Services (M) SDN. BHD.		Joint venture	Malaysia	49.00%	49.00%

1. *Wholly owned subsidiary of Brainhunter Systems Ltd.*
2. *Wholly owned subsidiaries of Quesscorp Holdings Pte. Ltd.*
3. *Wholly owned subsidiary of MFXchange Holdings Inc.*
4. *On August 2020, the Company sold Dependo Logistics Services Private Limited.*
5. *On 02 February 2021, Quess Corp Limited acquired additional 3.76% equity stake in Vedang Cellular Services Private Limited, increasing its equity stake to 92.47% (refer note 25.2)*
6. *Wholly owned subsidiaries of Allsec Technologies Limited*
7. *On 27 May 2020, Quess Corp Limited acquired additional 25.00% stake in Terrier Security Services India Private Limited,, increasing its equity stake to 74.00% [refer note 4 ii (a)]*
8. *On 28 July 2020, Quess Corp Limited acquired additional 30.00% stake in East Bengal FC Private Limited,, increasing its equity stake to 100.00% [refer note 4 ii (d)]*
9. *On 29 January 2021, Quess Corp Limited acquired 16.12% stake in Stellarslog Technovation Private Limited, (refer note 6.6)*
10. *Retreat Capital Management Inc., USA is dissolved w.e.f 19 February 2021*

Notes to the Consolidated Financial Statements
for the year ended 31 March 2021

48 Related party disclosures (Contd..)

(iii) Related party transactions during the year

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended 31 March 2021	31 March 2020
Revenue from operations			
Associate	Terrier Security Services (India) Private Limited###	0.35	97.23
	Heptagon Technologies Private Limited	3.09	0.35
	Quess East Bengal FC Private Limited##	-	20.00
	Agency Pekerjaan Quess Recruit SDN. BHD.	1.68	27.30
Entities having common directors	Go Digit General Insurance Limited	10.88	15.22
	Go Digit Infoworks Services Private Limited	6.75	16.23
	National Collateral Management Services Limited	70.90	109.77
	Net Resources Investments Private Limited	1.30	1.27
Joint venture	Himmer Industrial Services (M) SDN. BHD.	-	3.86
Entity in which key managerial personnel have significant influence	Careworks foundation	26.92	45.58
Other expenses			
Entities having common directors	Net Resources Investments Private Limited	37.13	38.29
Associate	Terrier Security Services (India) Private Limited###	24.81	205.37
	Heptagon Technologies Private Limited	48.64	35.91
	Agency Pekerjaan Quess Recruit SDN. BHD.	2.06	10.40
Intangible assets under development			
Associate	Heptagon Technologies Private Limited	32.22	3.91
Intangible assets			
Associate	Heptagon Technologies Private Limited	2.37	6.60
Tangible assets			
Associate	Terrier Security Services (India) Private Limited###	-	0.40
Expenses incurred by the Group on behalf of related parties			
Associate	Trimax Smart Infraprojects Private Limited #	-	9.40
	Terrier Security Services (India) Private Limited###	0.16	11.62
Finance costs/income			
- Interest expense			
Entities having significant influence	Fairfax Financial Holdings Limited	-	1.37
- Interest income			
Associate	Trimax Smart Infraprojects Private Limited #	-	63.21
	Terrier Security Services (India) Private Limited###	8.65	44.05

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

48 Related party disclosures (Contd..)

(iii) Related party transactions during the year (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended 31 March 2021	31 March 2020
	Heptagon Technologies Private Limited	-	86.02
	Quess East Bengal FC Private Limited##	-	3.33
Loans given to related parties			
Associate	Trimax Smart Infraprojects Private Limited #	-	251.08
	Terrier Security Services (India) Private Limited###	173.00	673.16
	Heptagon Technologies Private Limited	92.71	111.65
	Quess East Bengal FC Private Limited##	-	168.43
Repayment/ Adjustment of loans given to related parties			
Associate	Trimax Smart Infraprojects Private Limited #	-	35.00
	Heptagon Technologies Private Limited	714.89	-
	Terrier Security Services (India) Private Limited###	33.00	556.00
Entities having significant influence	Fairfax Financial Holdings Limited	38.62	58.74
Guarantees provided to banks on behalf of associates			
Associate	Terrier Security Services (India) Private Limited###	-	220.00

(iv) Balance receivable from and payable to related parties as at the balance sheet date

(Amount in INR millions)

Nature of balances and relationship	Name of related party	As at 31 March 2021	31 March 2020
Trade receivables (gross of loss allowance)			
Associate	Heptagon Technologies Private Limited	3.21	-
	Terrier Security Services (India) Private Limited###	-	104.46
Entities having common directors	Go Digit Infoworks Service Private Limited	1.63	3.20
	Go Digit General Insurance Limited	0.61	9.65
	Net Resources Investments Private Limited	0.07	-
	National Collateral Management Services Limited	5.55	0.04
Entity in which key managerial personnel have significant influence	Careworks foundation	6.78	-
Trade payables			
Entities having common directors	Net Resources Investments Private Limited	0.06	-
Associate	Terrier Security Services (India) Private Limited###	-	136.54
	Heptagon Technologies Private Limited	2.74	1.03
	Agency Pekerjaan Quess Recruit SDN. BHD.	6.77	24.99

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

48 Related party disclosures (Contd..)

(iv) Balance receivable from and payable to related parties as at the balance sheet date (Contd..)

(Amount in INR millions)

Nature of balances and relationship	Name of related party	As at 31 March 2021	As at 31 March 2020
Loans**			
Associate	Terrier Security Services (India) Private Limited###	-	342.24
	Heptagon Technologies Private Limited	265.17	887.35
	Quess East Bengal FC Private Limited##	-	242.85
Unbilled revenue			
Associate	Heptagon Technologies Private Limited	0.08	-
	Terrier Security Services (India) Private Limited###	-	24.00
	Quess East Bengal FC Private Limited	-	20.00
Entities having common directors	Go Digit General Insurance Limited	-	0.11
Contingent consideration payable (non-current)			
Entities having significant influence	Fairfax Financial Holdings Limited	-	29.73
Other financial assets (interest receivable)			
Associate	Terrier Security Services (India) Private Limited###	-	42.92
	Heptagon Technologies Private Limited	-	82.23
Other financial assets (due from related parties)			
Associate	Terrier Security Services (India) Private Limited###	-	11.62
Other current assets (advance to suppliers)			
Associate	Heptagon Technologies Private Limited	20.48	-
Other current financial liabilities			
Associate	Terrier Security Services (India) Private Limited###	-	61.43
	Agensi Pekerjaan Quess Recruit Sdn Bhd	27.24	-
Guarantee outstanding			
Associate	Terrier Security Services (India) Private Limited###	-	220.00

*includes interest

**The loans given to associates doesn't include the impairment loss provision created (refer note 53).

#W.e.f 15 October 2019, Trimax Smart Infraprojects Private Limited became the subsidiary of the Company [refer note 4 (ii)(c)].

##W.e.f 16 August 2020, Quess East Bengal FC Private Limited became the subsidiary of the Company [refer note 4 (ii)(d)].

###W.e.f 27 May 2020, Terrier Security Services (India) Private Limited became the subsidiary of the Company [refer note 4 (ii)(a)].

(v) Compensation of key managerial personnel*

(Amount in INR millions)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and other employee benefits to whole-time directors and executive officers	47.60	94.79
	47.60	**94.79**

*Managerial remuneration does not include cost of employee benefits such as gratuity, compensated absences and employee share-based payments since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

49 Assets and liabilities relating to employee benefits

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability, gratuity plan	1,893.43	1,330.96
Liability for compensated absences	151.53	105.55
Total employee benefit liability	**2,044.96**	**1,436.51**
Current (refer note 31)	134.44	87.99
Non-current (refer note 26)	1,910.52	1,348.52
	2,044.96	**1,436.51**

For details about employee benefit expenses, see note 36.

The Group has a defined benefit gratuity plan in India (Plan A), governed by the Payment of Gratuity Act, 1972. Plan A entitles an employee, who has rendered at least five years of continuous services, to gratuity at the rate of 15 days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Funding

The Group's gratuity scheme for core employees is administered through a trust with the Life Insurance Corporation of India. The funding requirements are based on the gratuity funds actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purpose for which assumptions are same as set out below. Employees do not contribute to the plan.

The Group has determined that, in accordance with the terms and conditions of gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations.

The Group expects to pay INR 726.69 million contributions to its defined benefit plans in FY 2021-2022.

B Reconciliation of net defined benefit liability/ asset

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ asset and its components:

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	1,695.77	1,188.85
Additions through business combination	179.51	54.51
Disposals	(0.35)	-
Current service cost	369.55	323.00
Interest cost	93.98	80.83
Past service cost	0.17	-
Benefit settled	(168.34)	(82.46)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	69.82	116.10
- Changes in demographic assumptions	(4.28)	(27.52)
- Changes in financial assumptions	11.76	49.86
Transfer in/out	-	(7.40)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

49 Assets and liabilities relating to employee benefits (Contd..)

B Reconciliation of net defined benefit liability/ asset

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Obligation at the end of the year	**2,247.59**	**1,695.77**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	364.81	331.33
Additions through business combination	50.81	16.20
Disposals	-	-
Interest income on plan assets	22.20	22.19
Remeasurement - actuarial gain/(loss)	(3.54)	0.06
Return on plan assets recognised in other comprehensive income	2.74	(0.79)
Contributions	48.60	62.72
Benefits settled	(131.46)	(66.90)
Plan assets as at the end of the year, at fair value	**354.16**	**364.81**
Net defined benefit liability	**1,893.43**	**1,330.96**

C Information on funded and non-funded net defined benefit liability

(Amount in INR millions)

Particulars	As at	
	31 March 2021	31 March 2020
Funded	1,794.42	1,215.57
Non-funded	99.01	115.39
Total net defined benefit liability	**1,893.43**	**1,330.96**

D i) Expense recognised in profit or loss

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Current service cost	369.55	323.00
Interest cost	93.98	80.83
Past service cost	0.17	-
Interest income	(22.20)	(22.19)
Net gratuity cost	**441.50**	**381.64**

ii) Remeasurement recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Remeasurement of the net defined benefit liability	77.30	141.87
Remeasurement of the net defined benefit asset	0.80	1.93
	78.10	**143.80**

E Plan assets

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
Funds managed by insurer	354.16	364.81
	354.16	**364.81**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

49 Assets and liabilities relating to employee benefits (Contd..)

F Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended 31 March 2021	31 March 2020
Discount rate	3.75% - 6.45%	4.88% - 6.55%
Future salary growth	1.00% - 9.00%	5.00% - 9.00%
Attrition rate	30.00% - 90.00%	2.00% - 80.00%
Average duration of defined benefit obligation (in years)	1 - 18	1 - 18

G Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, the defined benefit obligation would be as shown below

Core employees

(Amount in INR millions)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	323.23	361.68	307.24	340.23
Future salary growth (1% movement)	359.13	322.57	332.44	305.77
Attrition rate (1% - 50% movement)	260.18	291.27	171.44	199.14

Associate employees

(Amount in INR millions)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,602.23	1,685.29	1,131.70	1,162.04
Future salary growth (1% movement)	1,685.05	1,601.87	1,161.75	1,131.71
Attrition rate (10% - 50% movement)	1,569.20	1,737.63	1,087.78	1,226.37

50 Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. However, the Group does not have any amounts payable to such enterprises as at 31 March 2020 based on the information received and available with the Group. Also the Group has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;		
- Principal	27.84	-
- Interest	0.26	-
The amount of interest paid by the Group in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during accounting year;	103.56	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

50 Dues to micro, small and medium enterprises (Contd..)

(Amount in INR millions)

Particulars	As at 31 March 2021	As at 31 March 2020
The amount of interest accrued and remaining unpaid at the end of the accounting year; and	1.27	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	0.14	-

51 Share-based payments

A Description of share based payment arrangement

At 31 March 2021, the Group has the following the share-based payment arrangements:

Share option plans (equity settled)

IKYA Employee Stock Option Scheme 2009 ("Scheme 2009")

The Board of Directors in its meeting held on 19 November 2009 approved the 'IKYA Employee Stock Option Scheme 2009' ('Scheme 2009'), under which stock options are granted to specified employees of the Company. The Scheme 2009 provides for the issue of 5,200,000 bonus adjusted options with an exercise price of INR 10.00 each that would eventually convert into 5,200,000 equity shares of INR 10.00 each. The options vest over a period of three years and are exercisable only on occurrence of the liquidity event. The Scheme 2009 defines 'liquidity event' as an Initial Public Offering by the Company (or one of its subsidiaries) or dilution of voting right below majority of the existing shareholders. All outstanding options were vested as at 31 March 2015. As at 31 March 2021, the Company has no exercisable options outstanding. (31 March 2020: 132,660).

Quess Corp Limited Employee Stock Option Scheme 2015 ("Scheme 2015")

The Board of Directors in its meeting held on 22 December 2015 approved the 'Quess Corp Limited Employee Stock Option Scheme 2015' ('Scheme 2015'), under which stock options are granted to specified employees of the Company. The Scheme 2015 provides for the issue of not more than 475,000 options (1,900,000 bonus adjusted options) with an exercise price of INR 10.00 each that would eventually convert into equity shares of INR 10.00 each. The options vest over a period of three years and are exercisable over a period of three years from the vesting date of each tranche. As at 31 March 2021, the Company has 68,199 exercisable options outstanding (31 March 2020: 108,067).

Quess Stock Option Plan 2020 ("Scheme 2020")

The Board of Directors in its meeting held on 31 March 2020 approved the Quess Stock Ownership Plan – 2020 ("QSOP 2020"), under which stock options are granted to specific employees of the Company and its subsidiaries. The maximum number of shares under QSOP 2020 shall not exceed 3,650,000 equity shares. The stock options granted under QSOP 2020 shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). These instruments will be equity settled and will generally vest between a minimum of 1 to maximum of 6 years from the grant date. As at 31 March 2021, the Company has no exercisable options outstanding.

B Measurement of fair values

Scheme 2009

The Company does not have any unvested option as at 1 April 2015 under Employee Stock Option Scheme 2009. The Company has elected for the exemption of Employee Share based payment under Ind AS 101 and accordingly fair valuation of vested options prior to 1 April 2015 was not carried out.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

51 Share-based payments (Contd..)

Scheme 2015

The fair value of Employee Stock Options has been measured using Black Scholes Model of pricing.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	31 March 2021	31 March 2020
Share price at grant date (INR)	893.95	893.95
Exercise price (INR)	10.00	10.00
Risk free rate of interest	6.20%	6.20%
Expected volatility	33.40%	33.40%
Expected Dividend	-	-
Term to maturity	1 - 3 years	1 - 3 years

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Scheme 2020

The fair value of Employee Stock Options has been measured using Black Scholes Model of pricing.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	31 March 2021
Weighted average share price at grant date (INR)	195.78
Exercise price (INR)	10.00
Risk free rate of interest	3.58% - 5.49%
Expected volatility	39.54% - 49.42%
Expected dividend	-
Expected life of the option	1 - 6 years
Weighted average fair value at grant date (INR)	187.32

C Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

Scheme 2009

(Share price in INR)

Particulars	For the year ended			
	31 March 2021		31 March 2021	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance as at the beginning of the year	**1,32,660**	**10.00**	**6,71,340**	**10.00**
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	(97,485)	10.00	(5,38,680)	10.00
Less: Lapsed/forfeited during the year	(35,175)	10.00	-	-
Options vested and exercisable as at the end of the year	**-**	**10.00**	**1,32,660**	**10.00**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

51 Share-based payments (Contd..)

The options outstanding as at 31 March 2021 have an exercise price of INR 10.00 (31 March 2020: INR 10.00) and a weighted average remaining contractual life is Nil years (31 March 2020: 1.17 years).

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2021 is INR 10.00 (31 March 2020: INR 10.00)

Grant date of options issued under ESOP 2009 scheme:

Grant Date	Exercise price (INR)	Number of options outstanding as at 1 April 2019
1 December 2009	10.00	2,94,800
1 October 2010	10.00	3,77,103
21 May 2011	10.00	4,28,995
31 May 2012	10.00	6,86,690
31 December 2013	10.00	1,04,332
Total		**18,91,920**
Less: Options exercised during FY 2017-18		(6,19,925)
Less: Options exercised during FY 2018-19		(6,00,655)
Less: Options exercised during FY 2019-20		(5,38,680)
Less: Options exercised during FY 2020-21		(97,485)
Less: Options lapsed during FY 2020-21		(35,175)
Closing options as at the end of the year		-

Scheme 2015

(Share price in INR)

Particulars	For the year ended			
	31 March 2021		31 March 2020	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance as at the beginning of the year	**1,48,441**	**10.00**	**1,64,786**	**10.00**
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	(70,685.00)	10.00	-	-
Less: Lapsed/forfeited during the year	(9,557.00)	10.00	(16,345)	10.00
Balance as at the end of the year	**68,199**	**10.00**	**1,48,441**	**10.00**
Options vested and exercisable as at the end of the year	68,199		1,08,067	

The options outstanding as at 31 March 2021 have an exercise price of INR 10.00 (31 March 2020: INR 10.00) and a weighted average remaining contractual life of Nil years (31 March 2020: 0.1 years)

Details of Grant date of options issued under ESOP scheme 2015 scheme:

Particulars	Exercise price (INR)	Number of options outstanding as at	
		31 March 2021	31 March 2020
18 August 2017	10.00	68,199	1,48,441

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

51 Share-based payments (Contd..)

Scheme 2020

Particulars	For the year ended 31 March 2021	
	Number of share options	Weighted average exercise price
Balance as at the beginning of the year	-	-
Add: Granted during the year	28,35,966	10.00
Less: Exercised during the year	-	-
Less: Lapsed/forfeited during the year	(2,60,801)	10.00
Balance as at the end of the year	**25,75,165**	**10.00**
Options vested and exercisable as at the end of the year	-	

The options outstanding as at 31 March 2021 have an exercise price of INR 10.00 (31 March 2020: nil) and a weighted average remaining contractual life of 2.73 years (31 March 2020: nil)

Particulars	Exercise price (INR)	Number of options Outstanding as at 31 March 2021
11 May 2020	10.00	2,607,535
24 July 2020	10.00	74,141
27 January 2021	10.00	154,290

D Expense recognised in consolidated statement of profit and loss

For details on the employee benefits expense, refer note 36.

52 Details of non-current investments purchased and sold during the year

(i) Investment in associates and joint venture

Particulars	Investment in associates						Investment in joint ventures
	Terrier Security Services (India) Private Ltd*	Stellarslog Technovation Private Limited	Heptagon Technologies Private Limited	Quess Recruit, Inc.	Quess East Bengal FC Private Limited**	Agency Pekerjaan Quess Recruit SDN. BHD.	Himmer Industrial Services (M) SDN BHD
Number of shares acquired	2,45,000	38,431	13,612	2,500	10,35,000	1,22,500	49,000
Value per share including premium	2,938.78	520.41	7,645.95	Peso 100	100.00	RM 1	RM 1
As at 31 March 2019	**795.96**	**-**	**83.89**	**1.43**	**-**	**1.99**	**-**
Purchased during the year	-	-	-	-	-	-	-
Sold during the year	-	-	-	-	-	-	-
Share in total comprehensive income for the year	(93.63)	-	(83.89)	3.30	-	(0.91)	-
As at 31 March 2020	**702.33**	**-**	**-**	**4.73**	**-**	**1.08**	**-**
Purchased during the year	-	20.00	-	-	-	-	-
Sold during the year	-	-	-	-	-	-	-
Share in total comprehensive income for the year	-	(2.45)	-	2.02	-	(1)	-
As at 31 March 2021	**-**	**17.55**	**-**	**6.75**	**-**	**0.14**	**-**

**Terrier Security Services (India) Private Limited became subsidiary of the Company w.e.f 27 May 2020.*

***Quess East Bengal FC Private Limited became subsidiary of the Company w.e.f 16 July 2020.*

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

52 Details of non-current investments purchased and sold during the year (Contd..)

(ii) Investment in equity instruments, preference shares and other non-current investments

(Amount in INR millions)

Particulars	Investment in equity instruments
	KMG Infotech Limited
Number of shares acquired	2,00,000
Value per share including premium	82.75
As at 31 March 2019	**16.55**
Purchased during the year	-
Sold during the year	-
As at 31 March 2020	**16.55**
Purchased during the year	-
Sold during the year	-
As at 31 March 2021	**16.55**

53 Details of loans and advances given during the year under Section 186(4) of the Act:

Movement for the year ended 31 March 2021

(Amount in INR millions)

Particulars	Balance as at 1 April 2020	Loans given during the year	Repaid/ adjusted during the year	Converted into investment in equity shares	Loss allowance recognised during the year	Balance as at 31 March 2021
Associates						
Heptagon Technologies Private Limited	887.35	92.71	(69.89)	(645.00)	-	265.17
Total	**887.35**	**92.71**	**(69.89)**	**(645.00)**	**-**	**265.17**

W.e.f 27 May 2020, Terrier Security Services Private Limited is a subsidiary of the Company [refer note 4(ii)(a)]

(Amount in INR millions)

Particulars	Balance as at 1 April 2019	Loans given during the year	Repaid/ adjusted during the year	Converted into Compulsorily Converted	Loss allowance recognised during the year	Balance as at 31 March 2020
Associates						
Terrier Security Services (India) Private Limited	225.00	684.78	(556.00)	-	-	353.78
Heptagon Technologies Private Limited	775.70	111.65	-	-	-	887.35
Quess East Bengal FC Private Limited	74.42	168.43	-	-	(242.85)	-
Total	**1,075.12**	**964.86**	**(556.00)**	**-**	**(242.85)**	**1,241.13**

The above unsecured loans are given to subsidiaries at an interest rate equivalent to Government Bond rate and to associate at 10.00% p.a. Loans do not have any fixed term and are receivable on demand. The above loans were given for the purpose of meeting working capital requirements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

54 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(Amount in INR millions)

Particulars	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as percentage of consolidated net assets	Amount	as percentage of consolidated profit or loss	Amount	as percentage of consolidated other comprehensive income	Amount	as percentage of consolidated total comprehensive income	Amount
Parent								
Quess Corp Limited	59.74%	22,244.89	-62.65%	(998.50)	73.68%	(61.08)	-70.13%	(1,059.58)
Subsidiaries - Indian								
MFX Infotech Private Limited	0.11%	42.72	0.44%	6.94	-0.45%	0.37	0.48%	7.31
Dependo Logistics Solutions Private Limited	0.00%	-	-0.65%	(10.29)	0.00%	-	-0.68%	(10.29)
Excelus Learning Solutions Private Limited	0.97%	362.18	-5.74%	(91.56)	-1.17%	0.97	-6.00%	(90.59)
Conneqt Business Solutions Limited	15.63%	5,823.44	111.91%	1,783.72	11.62%	(9.63)	117.41%	1,774.09
Vedang Cellular Services Private Limited	0.42%	154.85	-3.38%	(53.87)	-0.23%	0.19	-3.55%	(53.67)
Golden Star Facilities and Services Private Limited	0.75%	277.49	3.88%	61.77	2.52%	(2.09)	3.95%	59.69
Monster.com (India) Private Limited	0.43%	159.45	5.48%	87.38	-8.78%	7.28	6.26%	94.66
Qdigi Services Limited	0.77%	286.85	-0.66%	(10.44)	-0.15%	0.12	-0.68%	(10.32)
Greenpiece Landscapes India Private Limited	-0.19%	(72.03)	-3.33%	(53.05)	-0.35%	0.29	-3.49%	(52.76)
Simpliance Technologies Private Limited	0.18%	68.53	1.02%	16.29	0.00%	-	1.08%	16.29
Allsec Technologies Limited	7.12%	2,651.27	22.04%	351.29	-23.29%	19.31	24.53%	370.59
Trimax Smart Infraprojects Private Limited	0.13%	46.89	-59.31%	(945.32)	0.08%	(0.06)	-62.57%	(945.38)
Terrier Security Services (India) Private Limited	0.56%	208.01	12.11%	192.94	50.54%	(41.89)	10.00%	151.04
Quess East Bengal Football Club	0.00%	(1.23)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Subsidiaries - Foreign								
Brainhunter Systems Ltd.	0.23%	86.47	3.47%	55.34	22.76%	(18.87)	2.41%	36.47
Quess (Philippines) Corp.	0.21%	77.18	0.01%	0.11	-2.39%	1.98	0.14%	2.08
Quess Corp (USA) Inc.	0.61%	226.30	-1.22%	(19.44)	-5.25%	4.36	-1.00%	(15.09)
Quesscorp Holdings Pte. Ltd.	8.56%	3,188.63	33.35%	531.48	11.60%	(9.62)	34.54%	521.86
Quess Corp Vietnam LLC	0.02%	7.05	-0.63%	(10.01)	0.00%	0.00	-0.66%	(10.00)
Quessglobal (Malaysia) Sdn. Bhd.	0.51%	189.93	3.26%	51.96	-0.55%	0.46	3.47%	52.42
Quess Corp Lanka (Private) Limited	0.42%	155.17	2.90%	46.16	13.81%	(11.45)	2.30%	34.72

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

54 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements (Contd..)

(Amount in INR millions)

Particulars	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as percentage of consolidated net assets	Amount	as percentage of consolidated profit or loss	Amount	as percentage of consolidated other comprehensive income	Amount	as percentage of consolidated total comprehensive income	Amount
Comtel Solutions Pte. Ltd.	2.31%	859.23	26.71%	425.69	-33.84%	28.06	30.03%	453.74
MFXchange Holdings, Inc.	0.27%	100.51	7.58%	120.81	-11.64%	9.65	8.63%	130.46
Comtelpro Pte. Limited.	-0.17%	(62.20)	-0.37%	(5.90)	1.67%	(1.38)	-0.48%	(7.28)
Comtelink Sdn. Bhd	0.08%	28.06	0.08%	1.23	-0.19%	0.15	0.09%	1.39
Monster.com.SG PTE Limited	-0.02%	(6.72)	-0.24%	(3.77)	-1.15%	0.95	-0.19%	(2.82)
Monster.com HK Limited	-0.04%	(14.56)	0.08%	1.32	-0.57%	0.47	0.12%	1.79
Agensi Pekerjaan Monster Malaysia Sdn. Bhd	0.15%	56.91	0.26%	4.18	-1.03%	0.85	0.33%	5.03
Quesscorp Manpower Supply Services LLC	-0.20%	(72.85)	4.87%	77.62	5.66%	(4.69)	4.83%	72.93
Quesscorp Management Consultancies	0.44%	162.72	-1.15%	(18.35)	-2.88%	2.39	-1.06%	(15.96)
Quess Services Limited	0.00%	(0.43)	-0.12%	(1.86)	-0.01%	0.01	-0.12%	(1.85)
Subtotal	**100.00%**	**37,234.72**	**100.00%**	**1,593.86**	**100.00%**	**(82.90)**	**100.00%**	**1,510.96**
Adjustment arising out of consolidation		(13,828.06)		(1,013.73)		56.10		(957.63)
Non-controlling interests in subsidiaries		939.30		158.12		11.04		169.16
Associates - Indian								
Stellarslog Technovation Private Limited		17.55		(2.45)		-		(2.45)
Associates - Foreign								
Quess Recruit, Inc.		6.75		2.02		-		2.02
Agency Pekerjaan Quess Recruit Sdn. Bhd.		0.14		(0.94)		-		(0.94)
Total		**24,370.40**		**736.89**		**(15.76)**		**721.13**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

55 The Board of Directors of the Company at its meeting held on 18 February 2020 had considered and approved the Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company") with four of its wholly owned subsidiaries viz. Golden Star Facilities and Services Private Limited ("GSFS"), MFX Infotech Private Limited ("MFXI"), Trimax Smart Infraprojects Private Limited ("TSIP"), and Green Piece Landscape India Private Limited ("GLPL") together known as ("Transferor Companies") and their respective shareholders and creditors, subject to the approval of shareholders and other regulatory authorities as may be applicable under the Companies Act, 2013. On 19 March 2021, Regional Director, South-East region, Hyderabad had rejected the Scheme AAA vide Order no. 3/Kar/CP.No.25/RD(SER)/CAA-11/233/2020 based on non-fulfilment of provisions under Section 233(1)(b) of the Companies Act, 2013 ("Act"). The Board has considered and approved new Scheme of Amalgamation on 03 June 2021 among Quess Corp Limited with two of its wholly owned subsidiaries, GLPL and MFXI, under the provisions of Section 230-232 of the Act. The new scheme will be effected in the consolidated financial results once it is approved by National Company Law Tribunal ("NCLT").

56 The Code on Social Security, 2020 (''Code'') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

57 On 24 December 2020, Tata Sons Private Limited ("Tata Sons"), remaining shareholder of Conneqt Business Solutions Limited ("CBSL") (a subsidiary of Quess Corp Limited) has exercised the Put Option and has requested the Company to complete the purchase of 44,839,166 equity shares ("Put Shares") as per the Shareholders Agreement ("the Agreement") dated 20 November 2017. The Company accrued a put option liability of INR 2,080.00 million as on March 31, 2021. Subsequently on 16 April 2021, the Administration and Investment committee has approved the acquisition of the remaining 30.00% equity stake for a consideration of INR 2,080.00 million. The Company completed the acquisition of equity stake in CBSL on the same date, and CBSL became wholly owned subsidiary of the Company.

58 The Board of Directors in their meeting held on 5 May 2021 have declared an interim dividend of INR 7 per equity share (par value of INR 10 each) for the financial year 2020-21 aggregating to INR 1,033.75 million.

59 The Company evaluated subsequent event through 03 June 2021 which is the date on which the financial statements are approved by the Board of Directors. Based on this evaluation, the Company is not aware of any other event or transaction that would require recognition or disclosure in the Consolidated financial statements.

Annexure to the Board's report

Annexure 1 - Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 - AOC-1)

(Amount in INR millions, except % of shareholding and exchange rate)

Sl. No.	Name of the subsidiary	Date of acquisition/ incorporation	Reporting currency	Closing exchange rate	Financial period ended	Issued & subscribed share capital	Reserves	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of holding
1	MFX Infotech Private Limited	20.08.2014	INR	NA	31.03.2021	10.00	32.72	211.17	168.45	-	708.50	9.91	(2.97)	6.94	100%
2	Brainhunter Systems Ltd.	23.10.2014	CAD	58.03	31.03.2021	385.39	-360.50	517.63	640.19	-	946.97	5.26	-	5.26	100%
3	Mindwire Systems Limited 1	23.10.2014	CAD	58.03	31.03.2021	128.08	61.57	341.31	132.28	-	1,736.25	64.10	(14.02)	50.08	100%
4	Quess Corp (USA) Inc.	19.11.2014	USD	73.11	31.03.2021	6.25	220.04	229.30	3.01	-	0.92	-19.44	0	-19.44	100%
5	Quess (Philippines) Corp.	14.05.2013	PHP	1.51	31.03.2021	12.27	64.91	253.63	176.44	0.31	294.58	15.31	-15.20	0.11	100%
6	Quesscorp Holdings Pte. Ltd.	16.06.2015	SGD	54.35	31.03.2021	2227.86	960.77	3968.15	779.52	0.74	20.58	540.73	-9.25	531.48	100%
7	Quessglobal (Malaysia) Sdn. Bhd.2	12.08.2015	MYR	17.63	31.03.2021	8.33	181.60	329.43	139.50	2.07	801.64	58.82	-6.85	51.96	100%
8	MFXchange Holdings, Inc.	01.01.2016	USD	73.11	31.03.2021	3090.39	-1510.03	2104.85	524.49	-	383.87	30.07	-14.04	15.14	100%
9	MFXchange US, Inc.3	01.01.2016	USD	73.11	31.03.2021	0.00	-1479.85	874.80	2354.65	-	2,236.41	77.77	27.00	105.67	100%
10	Dependo Logistics Solutions Private Limited 4	25.10.2016	INR	NA	31.03.2021	-	-	-	-	-	153.79	-10.29	0.00	-10.29	-
11	Excelus Learning Solutions Private Limited	09.01.2017	INR	NA	31.03.2021	0.10	362.08	508.17	145.99	-	110.88	-118.20	26.64	-91.56	100%
12	Golden Star Facilities and Services Private Limited	01.12.2016	INR	NA	31.03.2021	10	267.49	577.25	299.75	-	2005.57	77.06	-15.29	61.77	100%
13	Comtel Solutions Pte. Ltd.2	14.02.2017	SGD	54.35	31.03.2021	23.57	835.66	1479.78	620.55	-	5223.73	484.06	-58.38	425.69	100%
14	Quess Corp Lanka (Private) Limited2	26.04.2016	LKR	0.37	31.03.2021	5.53	149.64	208.56	53.39	-	835.85	61.04	-14.87	46.16	100%
15	Vedang Cellular Services Private Limited5	10.11.2017	INR	NA	31.03.2021	1.82	153.03	379.37	224.52	-	811.63	-55.88	2.01	-53.87	92%
16	Conneqt Business Solution Limited	27.11.2017	INR	NA	31.03.2021	1494.64	4328.81	9005.16	3181.71	-	8907.56	1997.71	-213.98	1783.72	70%
17	Comtelink Sdn. Bhd	14.11.2017	MYR	17.63	31.03.2021	15.61	12.45	30.96	2.90	-	26.90	2.77	-1.54	1.23	100%
18	Comtelpro Pte. Limited.2	10.10.2017	SGD	54.35	31.03.2021	9.64	-71.83	12.08	74.27	-	14.11	-5.90	-	-5.90	100%
19	Monster.com (India) Private Limited	08.02.2018	INR	NA	31.03.2021	0.50	158.95	898.79	739.34	-	836.17	87.38	0.00	87.38	99.99%
20	Monster.com.SG PTE Limited2	08.02.2018	SGD	54.35	31.03.2021	0.00	-6.72	180.00	186.71	-	178.24	-5.35	1.57	-3.77	100%
21	Monster.com HK Limited2	08.02.2018	HKD	9.41	31.03.2021	318.71	-333.27	18.55	33.11	-	19.01	1.13	0.19	1.32	100%
22	Agensi Pekerjaan Monster Malaysia Sdn. Bhd2	08.02.2018	MYR	17.63	31.03.2021	8.18	48.73	98.79	41.88	-	75.59	6.21	-2.02	4.18	49%
23	Quess Corp Vietnam LLC	26.03.2018	VND	0.00	31.03.2021	13.00	-5.95	24.42	17.37	-	23.73	-10.01	0.00	-10.01	100%
24	Quesscorp Management Consultancies2	19.12.2018	AED	19.91	31.03.2021	3.82	-76.67	-0.08	72.77	-	9.14	-18.35	0.00	-18.35	100%

(Amount in INR millions, except % of shareholding and exchange rate)

Sl. No.	Name of the subsidiary	Date of acquisition/ incorporation	Reporting currency	Closing exchange rate	Financial period ended	Issued & subscribed share capital	Reserves	Total assets	Total liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of holding
25	Quesscorp Manpower Supply Services LLC2	31.01.2019	AED	19.91	31.03.2021	0.00	162.72	305.42	142.69	-	1008.10	77.62	0.00	77.62	100%
26	Qdigi Services Limited	11.04.2018	INR	NA	31.03.2021	53.50	233.36	844.48	557.62	-	1847.52	-10.71	0.27	-10.44	100%
27	Greenpiece Landscapes India Private Limited	02.04.2018	INR	NA	31.03.2021	8.00	-80.03	163.19	235.22	-	68.63	-53.05	0.00	-53.05	100%
28	Simpliance Technologies Private Limited	31.07.2018	INR	NA	31.03.2021	0.23	68.21	77.81	9.37	-	75.06	21.66	-5.45	16.20	53%
29	Trimax Smart Infraprojects Private Limited	15.10.2019	INR	NA	31.03.2021	0.10	46.79	217.18	170.29	-	0.00	-920.32	-25.00	-945.32	100%
30	Quess Services Limited	25.06.2019	BDT	0.86	31.03.2021	3.49	-3.92	5.30	5.73	-	28.18	-1.86	0.00	-1.86	100%
31	Allsec Technologies Limited	03.06.2019	INR	NA	31.03.2021	152.38	1410.58	1419.29	455.36	599.04	1886.49	212.83	-53.06	159.76	73.38%
32	Allsectech Inc., USA6	03.06.2019	USD	73.11	31.03.2021	121.41	(80.63)	107.86	67.09	-	476.59	(47.81)	-10.34	(58.16)	73.38%
33	Allsectech Manila Inc., Philippines6	03.06.2019	PHP	1.51	31.03.2021	78.32	1,072.36	1,223.64	72.96	-	831.58	273.78	-31.74	242.04	73.38%
34	Retreat Capital Management Inc., USA6 9	03.06.2019	USD	73.11	31.03.2021	2.15	(2.15)	-	-	-	-	(1.66)	9.26	7.60	- 9
35	Terrier Security Services (India) Private Limited7	09.12.2016	INR	NA	31.03.2021	5.00	203.01	1,117.26	909.25	-	4,067.8	110.85	(100.25)	10.60	74.00%
36	Quess East Bengal FC Private Limited8	13.07.2018	INR	NA	31.03.2021	14.79	(16.14)	2.56	3.91	-	-	(0.01)	-	(0.01)	100.00%

1. Wholly owned subsidiary of Brainhunter Systems Ltd.
2. Wholly owned subsidiaries of Quesscorp Holdings Pte. Ltd.
3. Wholly owned subsidiary of MFXchange Holdings Inc.
4. On August 2020, the Company sold Dependo Logistics Services Private Limited.
5. On 02 February 2021, Quess Corp Limited acquired additional 3.76% equity stake in Vedang Cellular Services Private Limited, increasing its equity stake to 92.47%.
6. Wholly owned subsidiaries of Allsec Technologies Limited
7. On 27 May 2020, Quess Corp Limited acquired additional 25.00% stake in Terrier Security Services India Private Limited,, increasing its equity stake to 74.00% .
8. On 28 July 2020, Quess Corp Limited acquired additional 30.00% stake in East Bengal FC Private Limited,, increasing its equity stake to 100.00%.
9. Retreat Capital Management Inc., USA is dissolved w.e.f 19 February 2021

Notes:

1 Total assets include investments
2 Investments exclude investments in Subsidiaries
3 Reserves and surplus include other comprehensive income and securities premium and instruments entirely equity in nature.

Part B: Associate/ joint venture

Sl. No.	Name of the associate/ joint venture	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate or Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet	Profit or Loss for the year	
				Number	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
1	Himmer Industrial Services (M) Sdn. Bhd.	31.12.2019	28.03.2017	49,000	0.74	49.00	More than 20% holding	No control	(1.78)	-	(0.45)
2	Heptagon Technologies Private Limited	31.03.2021	22.06.2017	13,612	112.70	49.00	More than 20% holding	No control	131.06	-	(23.52)
3	Quess Recruit, Inc.	31.03.2020	01.01.2018	2,500	0.31	25.00	More than 20% holding	No control	766.54	2.02	8.09
4	Stellarslog Technovation Private Limited 1	31.03.2021	29.01.2021	38,431	20.00	16.12	More than 20% holding	No control	3.22	(2.45)	(4.99)
5	Agency Pekerjaan Quess Recruit Sdn. Bhd.	31.03.2021	23.01.2018	1,22,500	2.07	49.00	More than 20% holding	No control	0.22	(0.94)	(1.92)

1. On 29 January 2021, Quess Corp Limited acquired 16.12% stake in Stellarslog Technovation Private Limited.

Notes

Notes

PDF version of the annual report
can be downloaded from:
https://www.quesscorp.com/
investor/annual_report.php
or simply scan: