





## 13<sup>th</sup> Annual General Meeting

29<sup>th</sup> September 2020 at 03.30  
p.m through video conference and  
other audio visual means



For the online version of the  
Annual Report please visit  
[www.quessecorp.com](http://www.quessecorp.com)

### Forward-looking statements

Some information in this report may contain forward-looking statements which include 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 chosen these assumptions or basis in good faith, and we believe that 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 forwardlooking statement, whether as a result of new information, future events, or otherwise.

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# Corporate Information

## Board of Directors

**Ajit Isaac**

Chairman & Managing Director

**Pratip Chaudhuri**

Non-Executive,  
Independent Director

**Pravir Kumar Vohra**

Non-Executive,  
Independent Director

**Revathy Ashok**

Non-Executive,  
Independent Director

**Sanjay Anandaram**

Non-Executive,  
Independent Director

**Chandran Ratnaswami**

Non-Executive Director

**Gopalakrishnan Soundarajan**

Additional Director  
(w.e.f. 1 April 2020)

**K. Suraj Moraje**

Executive Director (w.e.f. 4 November 2019)  
& Group CEO (w.e.f. 1 April 2020)

**Subrata Kumar Nag**

Whole-time Director & Group CEO  
(Until 31 March 2020)

## Registered Office

3/3/2, Bellandur Gate,  
Sarjapur Main Road,  
Bengaluru – 560103,  
Karnataka, India  
[www.quessecorp.com](http://www.quessecorp.com)

## Investor Cell

Kundan K Lal  
Vice President & Company Secretary  
[investor@quessecorp.com](mailto:investor@quessecorp.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](http://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  
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

# Quess Corp at a Glance

WE ARE THE LARGEST PRIVATE SECTOR EMPLOYER IN INDIA, EMPLOYING MORE THAN 3,84,000 EMPLOYEES. WE HELP OUR CLIENTS IMPROVE THEIR OPERATIONAL PRODUCTIVITY WITH OUR UNIQUE SERVICE CAPABILITIES AND DOMAIN EXPERTISE.



Since our inception in 2007, we have grown and expanded from a pure play staffing company to India's largest business services platform. We provide a unique array of services to manage client activities across core operations, marketing, sales, customer service, after sales service, HR, security and facilities management, IT, and finance processes. We have established a strong foothold across the world, servicing more than 2,600 clients across India, North America, Southeast Asia and the Middle East. We are today the world's 4<sup>th</sup> largest business services company by headcount, and the 12<sup>th</sup> largest private sector employer globally.

## Our Purpose

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

## Our Values



### Passion

- › At Quesst we are passionate about people - our employees, associates and clients
- › We create a fair and positive environment that nurtures our employees to grow and succeed
- › We focus on customers and are committed to listen and respond proactively to them
- › We value loyalty that leads to a shared sense of vision and purpose, building stable high performance teams



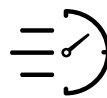
### Entrepreneurial Spirit

- › Deeply entrenched in us is our entrepreneurial spirit
- › We act quickly on lucrative opportunities
- › We learn fast from success and failure
- › We constantly seek innovative solutions in all aspects of our businesses



### Integrity

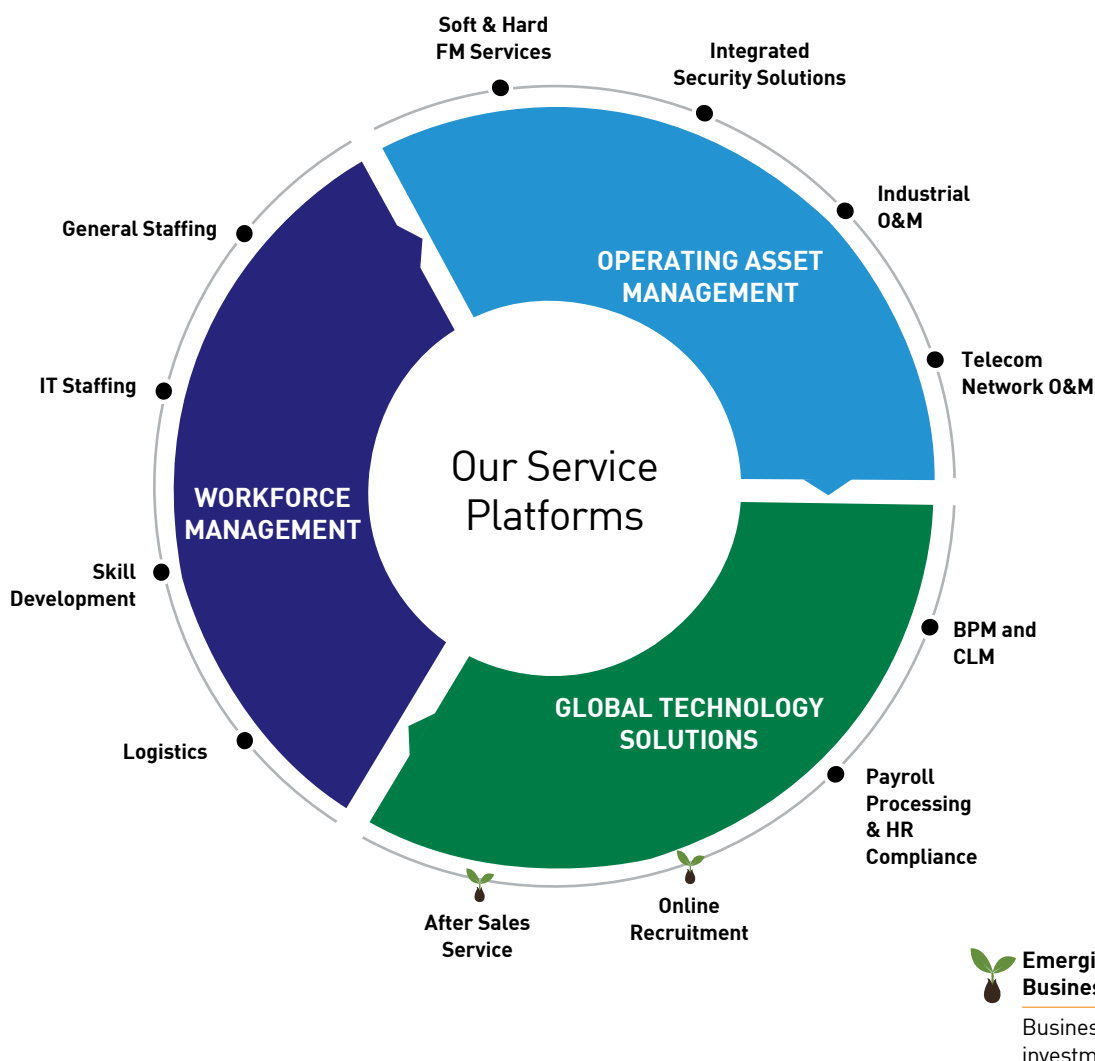
- › We are committed to the highest standards of ethics and integrity in all our interactions
- › We strive to do what is right and do what we say we will do
- › We are results oriented and apolitical



### Speed & Agility

- › Operational agility is our competitive advantage
- › We respond quickly to change and focus on getting things done
- › We challenge ourselves to execute flawlessly and to consistently deliver

# More About Us



## Key Statistics\*

**3,84,132**

Total employees

**#4**

Global business services company by headcount

**10+**

Countries of presence

**2,600+**

Enterprise clients

**Top 3**

in India in most businesses

**₹ 2,346 million**

Normalised Operating Cash Flow (OCF) for the year ended 31 March 2020<sup>#</sup>

**240k+**

Users on our workforce tool

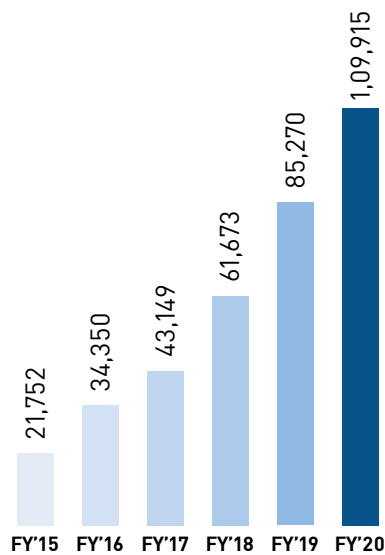
**14 minutes**

taken to digitally onboard an employee

<sup>#</sup>As on 31 March 2020  
<sup>#</sup>OCF is computed excluding the impact of IndAS 116

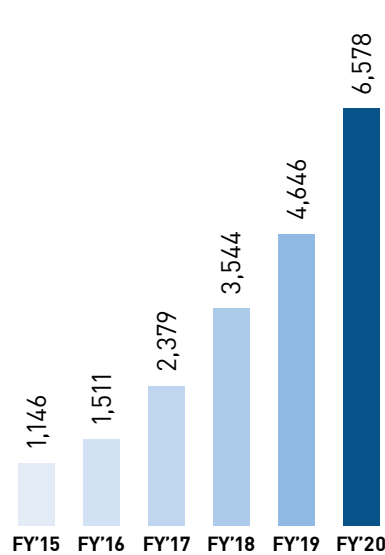
# Financial Highlights

## Revenue from Operations (₹ in millions)



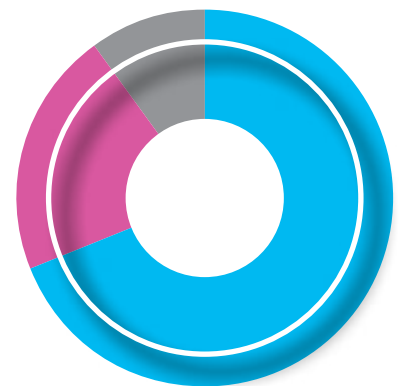
**38%** 5-year CAGR

## EBITDA (₹ in millions)



**42%** 5-year CAGR

## Headcount Mix

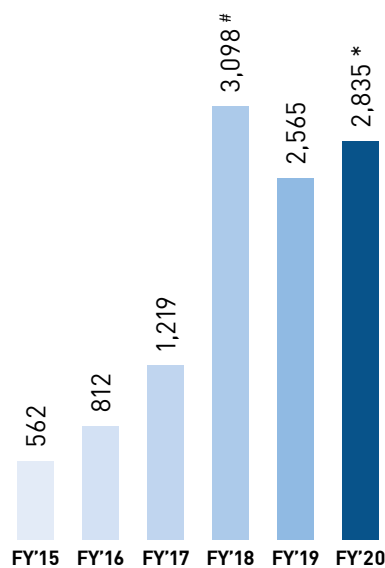


69% Workforce management

21% Operating Asset Management

10% Global Technology Solutions

## Operational PAT (₹ in millions)

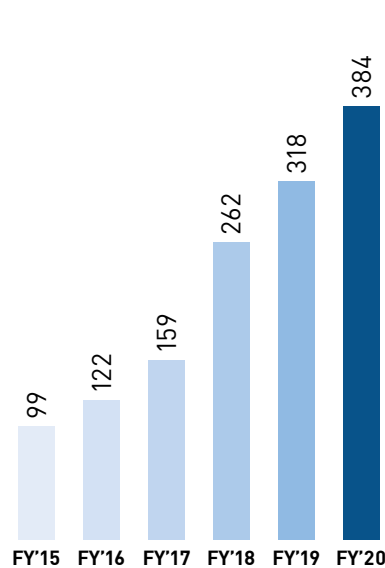


**38%** 5-year CAGR

\* 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

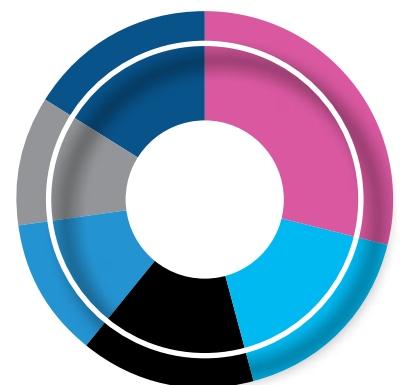
<sup>#</sup>FY'18 PAT includes one off benefit of ₹ 565 million under section 80JJAA of the Income Tax Act, 1961

## Total Headcount (in thousands)



**31%** 5-year CAGR

## Revenue Mix by Sector in FY'20



29% BFSI

17% Retail

15% Manufacturing

12% IT / ITES

11% Telecom

16% Others\*

\*FMCG, Logistics, Agriculture, Healthcare/ Hospitality etc.

# Platform Overview

## Workforce Management

AS A GLOBALLY RECOGNIZED WORKFORCE MANAGEMENT SOLUTIONS PROVIDER, QUESS OFFERS END-TO-END HR SERVICES. WE PROVIDE ALL THE TOOLS NECESSARY TO DRIVE OUR CLIENTS' BUSINESS GROWTH RIGHT FROM CUSTOMIZED SOLUTIONS TO MANAGED WORKFORCE SOLUTIONS.

## Our Sub-brands

**simpliance**<sup>®</sup>  
Simple Beautiful Effective Compliance

Digital Labour  
Law Compliance  
Solutions

**excelus**  
Learning Solutions

Skilling & Learning  
Solutions

## Scale and Reach\*

**2,62,000**

Associate headcount

**5 Clients**

with more than 10k+ employees

**26,000**

Candidates acquired in a single transaction during the year under review

**120+**

Training centres across the country

**330**

Core to Associate ratio

**57,000**

Students trained and employed

**1,00,000+**

Annual training capacity

**47 Clients**

with value added services

**115**

Infra locations managed

## Our market presence

**#4**

Staffing business by headcount globally

**#1**

IT staffing player in Singapore

**#1**

Indian staffing player in both General and IT Staffing

**Leading**

Vocational training player in India

\*As on 31 March 2020

Read more about this business segment on  page 28

### Services offered

#### Marketing

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

#### Human Resources

- > Recruitment
- > Labour compliance management
- > Core skills training and development

#### Sales

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

#### IT & Mobility

- > IT staffing solutions
- > Workforce management tools

### Industry covered

BFSI



Retail



Telecom



FMCG



Healthcare & Hospitality



E-Commerce & Logistics



IT/ITeS



Agro



Manufacturing & Infrastructure



### Presence



India



Singapore



South East Asia



Middle East



## Operating Asset Management

ASSET MANAGEMENT SERVICES ARE ESSENTIAL FOR RELIABLE AND EFFICIENT OPERATIONS. WE DEPLOY OUR EXPERTISE IN INTEGRATED FACILITY MANAGEMENT, SECURITY SOLUTIONS, AND INDUSTRIAL OPERATIONS AND MAINTENANCE TO DRIVE PRODUCTIVITY FOR OUR CLIENTS.

### Our Sub-brands



Integrated  
Security Solutions



Industrial O&M  
Services



Telecom Network  
O&M Services

#### Services offered

##### Facilities and Security

- > Soft and hard facilities maintenance
- > Food services
- > Landscaping
- > Security



##### Core Operations

- > Asset management
- > Industrial O&M
- > IoT-based solution development



#### Industry covered

BFSI



IT/ITeS



Education



Govt. & Public  
Utility



Healthcare



Manufacturing



Telecommunications



#### Presence



India



South  
East Asia



Middle  
East

### Scale and Reach\*

**80,000+**

Associates

**1,77,000+**

Meals prepared per day from 40 kitchens  
across the country

**258+ million sq. ft.**

Managed space

**50+**

Hospitals managed

**40,000**

Student beds managed

**15,000**

Hospital beds managed

**License held in 19**

States for security services

**2,200+**

Operating sites

**3.2 million**

Electricity meters read per month

**75,000**

Telecom towers installed and optimized

**470 MW**

Cumulative capacity of power plants  
served

**51 MT**

Cumulative capacity of metal plants  
served

### Our market presence

**Top 3**

Facilities management player in India

\*As on 31 March 2020

Read more about this business segment on page 31

# Platform overview

## Global Technology Solutions

WE USE THE POWER OF TECHNOLOGY TO DRIVE PRODUCTIVITY AND OPTIMAL EFFICIENCY INTO CLIENTS' BUSINESSES. WE DELIVER EXCELLENCE ACROSS KEY ENTERPRISE PROCESSES THROUGH OUR RANGE OF TECHNOLOGY SERVICES INCLUDING BPM SERVICES, CLM, PAYROLL MANAGEMENT AND DIGITAL TRANSFORMATION.

### Our Sub-brands



Domestic BPM & CLM



International CLM, Payroll & HR Compliance



Digital Platform for Insurance Solutions



Tech Consulting for Digital Services



Integrated IT Services Company



Digital Transformation Services

### Services offered

#### Digital IT & Mobility

- > IT infra management
- > InsureTech Platform
- > Automation and RPA
- > Cyber security
- > IT consulting



#### Customer Service

- > Omni-channel CRM
- > CRM digitisation
- > Back office automation and processing
- > Collections
- > Tele-sales support



#### Human Resources

- > Payroll processing and HRO
- > HRMS



#### Finance

- > F&A processing
- > Reconciliation services



### Industry covered

BFSI



Retail



Telecommunications



IT/ITeS



Federal Government



E-commerce



### Presence



India



North America



South East Asia

### Scale and Reach\*

38

Insurance carriers on our InsureTech Platform

35

Geographies covered through our SaaS-based payroll solution

US \$ 3 billion

Premium per annum processed through MFX

1 million

Pay slips processed per month

31,000+

Full time employees in our CLM business

36

Languages handled through our CLM business

### Our market presence

Top 3

Domestic BPO player in India

#1

Payroll services provider

\*As on 31 March 2020

Read more about this business segment on [page 33](#)

## Emerging Businesses

WE ARE INVESTING IN BUSINESSES THAT HAVE HIGH GROWTH PROSPECTS, TO FUEL CONTINUED GROWTH AT QUESS.

### Digicare

**DIGICARE**  
SERVICES

One of India's leading after-sales services providers, Digicare is a partner to key smartphone and consumer electronics brands in the country. We offer 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



**569**

Cities covered in India

**12,500**

Pin codes covered

**1.5 million**

Service orders per annum

### Monster

**monster**  
Find Better.™

Monster is a leading online job portal bridging the gap between job seekers and employers in India, South East Asia and the Middle East. Building on an extensive database and strong brand recall, we have evolved from a 'job-board' to an 'online employment solution', managing job seekers and providing career management, recruitment and talent management services.

Our revamped 'Monster Mobile App', empowering job seekers to apply to jobs on the go, achieved a rating of 4.2 in 2019. Monster continues its pioneering work of transforming the recruiting industry with advanced technology using intelligent digital, social and mobile solutions, and a vast array of products and services.

#### Services offered

##### Online Recruitment services



##### For Recruiters / Corporates

- > Database access services
- > Job posting services
- > Advertisement / branding services
- > Assisted search

##### For Job Seekers

- > Advanced job search
- > Resume services

**4.1 million**

Organic site traffic per month

**2.7 million**

Job views per month

**31 million**

Site visits per month

Note: All the figures are for FY'20

Read more about this business segment on page 33

# Chairman's message to the shareholders

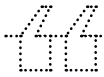
## Dear Shareholders,

I am delighted to share the excitement we feel at Quess as we build an enduring institution. This year we have faced a new set of challenges, added more capabilities and built more relationships; also becoming India's largest domestic private sector employer along the way. With a new and refreshing spirit and a 'can-do' attitude, we are set to navigate the post Covid-19 world, with our values and our purpose as our guiding lights.



## Ajit Isaac

Chairman & Managing Director



Today we are the largest private sector employer in India with a total headcount of more than 3,84,000+ employees working across 644 cities.

At Quess, we focus on driving productivity for our clients by outsourcing and optimizing their non-core activities, and we remain steadfast in our endeavour to provide more value to our clients. This has led to the formation of India's largest business services platform that offers a mix of workforce, product and platform solutions.

Our *ikigai*, our purpose, remains that of improving productivity for clients. Over the years, we have identified several inefficient processes that are non-core to businesses across HR, Training, Facilities Maintenance, IT services, Security, Compliance, Sales & Marketing, etc., and built value adding services around them. Our ability to satisfy 2,600+ clients daily, train 57,000 candidates annually, maintain 258 million sq. ft. of facilities while managing 65 million resumes, stand testament to our success.

The world is changing as employer preferences morph,

job stints become shorter, and career preferences remain in flux. An average employee today has pivoted 5-6 times in his/her career, posing a challenge to the efficiency of the Human Resources team. With 560 million users and a 50% internet penetration rate, India is the second largest online market in the world. The rate of internet adoption, tech innovations & changing career preferences have led to the creation of diverse employment opportunities like the grey & orange collared workforce behind the tech platforms. Formalisation of jobs have morphed social contracts and protection of employee benefits have become a priority for policymakers. Wage growth stagnation, in comparison to economic development, have made workers scramble for their livelihood. While we have partnered with our clients in providing Workforce management, Operating Asset management & Technology solutions, we also understand the opportunity for outcome-based service delivery models.

Our ability to provide services according to our clients' needs are reiterated in our long-standing client relationships and in the addition of 600 new clients this year. Our business model is unique and largely non-replicable now, as we sustain #1 and #2 positions in most of our businesses in India and an unparalleled presence across South East Asia, US, Canada and the Middle East. With 15 bots & 90 apps delivering automated business processes and with 70+ Acts & 1,000+ minimum wage codes under our digital compliance tool, and 61+ copyrighted training courses, we have a comprehensive suite of outsourced processes that is difficult to replicate.

Our unrelented focus on being agile to client requirements, retaining the entrepreneurial gene, and simultaneously diversifying our service offerings to become an all-weather business, has helped us stay young while growing. Our Workforce Management platform has the capability to onboard 20,000+ headcount a month to meet client requirements.

By being in the flow and taking advantage of growing opportunities, we have always leveraged our deep domain expertise and built scale. With operations spanning across 10+ countries, divided across 3 platforms and employing over 3,84,000 people, as on 31 March 2020, this year we focused on



With operations spanning across 10+ countries, divided into 3 platforms and employing over 3,84,000+ people, as on 31 March 2020, this year we focused on consolidating our brand architecture and operating structure.

consolidating our brand architecture and operating structure. Previously, stakeholders who lacked a clear picture of the numerous brands operating under Quess, can now be free of any ambiguity as we have consolidated our platforms into three broad categories- Work Force Management (WFM), Operating Asset Management (OAM) and Global Technology Solutions (GTS). Further, to simplify our internal organizational structure, we have appointed Presidents for each platform. This has helped us retain our entrepreneurial spirit and create a clear demarcation of roles, with equitable distribution of responsibilities.

### Highlights for the year

During the year under review, we registered a 29% growth in overall revenue and maintained healthy growth across all platforms.

Guruprasad Srinivasan, a founding leader at Quess, has led our India Operations from the front. We

increased use of technology in all our processes that enabled us to considerably reduce cost while increasing operational efficiency. Our General Staffing business led by Lohit Bhatia continued to grow at a sustained rate of 56% YoY.

Our Facilities Management business was focused on acquiring more direct and comprehensive contracts this year, which improved our EBITDA margins from 8.6% to 10.1% in FY'20 and resulted in a revenue growth of 10% YoY.

The revenue of the Global Technology Solutions platform under Pinaki Kar grew by 17% YoY along with growth in EBITDA of 137% YoY. The growth was mainly on account of acquisition of Allsec Technologies and expansion of offerings in the BPM segment with deepened service lines for digitization and analytics.

One of our biggest achievements during the year was improvement of operating cash flow. Subramanian Ramakrishnan, our new CFO has

led the path by significantly reducing our debt levels in the second half of FY'20. It not only validates our resilience amidst tough times, it also points to our strategic abilities to successfully manage cash and debt levels despite numerous challenges and an economic slowdown.

At Quess, we love contributing to society, impacting lives, and being a Great Place to Work (GPTW). With an aim of giving back to society and ensuring upliftment of the weaker sections, we extend our support for better education and health to the needy schools in Karnataka. Our CSR activities are undertaken through Careworks Foundation (CWF) which was formed in 2014. CWF aims to bring about a positive change in society and impact young minds in the areas of health and education. As of 31 March 2020, we have covered 73 government schools, impacting lives of 13,800 children through our flagship School Enhancement Programme. Further, under our Careworks initiative during the Covid-19 lockdown, we



have served 80,000 meals to the marginalised by leveraging Quess' food services business.

In FY'20, Quess has been certified as a 'Great Place to Work' by Great Place to Work® Institute. The certification is recognized globally by employees and employers alike, and is considered the 'Gold Standard' in identifying and recognizing great workplace culture through a rigorous and objective methodology. It also stands testimony to our robust and impressive work culture. To keep our flag flying higher, we have also formed the GPTW core committee to focus on all key HR initiatives and together, we can make Quess a 'Greater Place To Work' in the days to come.

Despite continuous challenges in our key market in India, especially in the last quarter of FY'20 when we were impacted by the Covid-19 pandemic, we remained steadfast and resilient. In the face of adversity we found time to sharpen our axe, realign and restart our businesses.

As we enter FY'21, we will continue to focus on long-term and sustainable growth. Before the Initial Public Offering (IPO), our Return on Equity (RoE) was around 25% and after IPO and multiple acquisitions over the years, our RoE stands at 10.5% on 31 March 2020. However, we are constantly working towards delivering a sustainable year on year cashflow growth of 20% and achieving a 20% RoE through sound capital allocation,

44

As of 31 March 2020, we have covered 73 government schools, impacting lives of 13,800 children through our flagship School Enhancement Programme. Further, under our Careworks initiative during lockdown, we have served 80,000 meals to the deserving by leveraging Quess' food services business and scale of operations.

disinvestment of non-performing assets and providing value added services to clients. We are also progressively working towards improving the profitability of all our companies by implementing prudent cost control mechanisms, reducing Selling, General and Administrative (SG&A) expenses & finance costs and adoption of new tax rates.

We will continue our institution-building efforts by being the preferred firm for employees & customers alike, offering predictable returns to investors, contributing towards the well-being of the society and being future-ready. And, we will continue our adherence to the highest standards of integrity & governance to successfully retain trust of our stakeholders and be true to our '*ikigai*'.

I would like to thank our amazing management team, our entrepreneurial people and our patient investors for this year of growth. I welcome Suraj to our team as the new Group CEO as he weaves a new winning spirit and a refreshed purpose across the group.

As we continue to map our growth trajectory, we remain steadfast to positively impact and touch the lives of many through the businesses we do at Quess!

Regards,



Ajit Isaac

Chairman & Managing Director

# Letter from the CEO



## Dear Shareholders,

It is an exciting time to join Qess when we have just become the country's largest domestic employer in the private sector. I thank the Board of Qess Corp for entrusting me with this position, and look forward to the years ahead.

**K. Suraj Moraje**

Executive Director & Group CEO



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We are lucky to employ the most aspirational group of people in India; 50% of our employees are aged between 20 to 30 years, with skills ranging all the way from janitorial to jet engine software designing. With 1,000+ recruiters backed by proprietary technology, we have an unrivalled ability to mobilize resources for our customers.

The factors which attracted me to Quess are many. I resonated with the promoters' passion for building a long-term institution that balances sustainable performance and healthy growth. I am excited by the number of lives that Quess touches, offering the security of monthly salaries and social security.

And perhaps most of all, I am excited by the range of activities that we can execute on behalf of our clients, and the productivity improvements we can deliver them through professional management of tasks, greater technology intensity and training. We drive productivity for our clients on business processes such as factory operations, marketing, sales, customer service and after-sales support, in addition to helping on support functions such as human resources, facilities, security, IT &

mobility, and finance (for details refer MD&A).

Our range of capabilities places us uniquely to cater to the needs of our customers. For example:

- > Helping a bank stitch an end-to-end process to convert customer leads into completed sales, combining our general staffing, BPO and IT services capabilities
- > Helping an e-commerce player manage their end-to-end payroll process, all the way from capturing attendance via our proprietary app to processing on our HRO platform, and managing compliance with our Simpliance product
- > Helping a hospital manage its facilities end-to-end, with our FMS, security and staffing capabilities

- > Helping a retail client increase rural presence by acquiring new franchisees on their behalf, and then auditing the visual merchandising performance of these stores through our proprietary technology

The above are just a few examples. With our presence across 644 locations across India, South East Asia & North America, Quess now has unmatched geographic presence. We are lucky to employ the most aspirational group of people in India; 50% of our employees are aged between 20 to 30 years, with skills ranging all the way from janitorial to jet engine software designing. With 1,000+ recruiters backed by proprietary technology we have an unrivalled ability to mobilize resources for our customers.

We are really privileged to have this opportunity to create service experiences, power productivity, and enhance performance for our many stakeholders. The ways in which we can impact lives and create value are unbounded in potential.

### Helping our clients win the war for productivity

Traditionally, our industry offered manpower contracts in a time & material model across service lines, often with limited focus on improving our clients' productivity. However, with our increased scale, technology-intensity, and specialization, we believe the time is ripe to alter this model, and to step up our own role in driving productivity for clients.

Our facility management business today already has >25% of its revenues from comprehensive outcome-based contracts. Our experience is that clients who choose to contract us in this manner reap great benefits of increased technology-intensity and cost savings over time. An additional benefit is de-densification of their offices, with the requirement for fewer cleaning staff.

We are increasing our focus on such managed services contracts across our businesses, owning and performing tasks for clients; ensuring better customer satisfaction and superior productivity. What this means to each of our businesses will differ, but in all cases it will require us to continually deepen our specialization, technology-intensity, and sophistication in managing people.

For example, our security services business Terrier is more focused on providing security solutions that blend man-guards, command-centre support and tech-security installations to provide 360° security to our clients, powered by our proprietary tools and applications. This not only supports our clients more effectively, but also brings better job satisfaction to our guards.

We are fortunate to have access to proprietary products (including our InEDGE Platform, which tracks associate productivity, and SeQure, our frontdesk management system) and platforms (e.g., Allsec, the largest payroll services provider in India; Simpliance, our online compliance tool which automates

labour compliance checks & reporting).

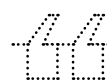
### Winning Together

We recently launched our new brand promise, Winning Together. Winning Together is the core engine to deliver on our quest for productivity, and has implications for our customers, our people and for our investors.

For our Customers, Winning Together means that we will focus on bringing all relevant service lines to each client through an approach that helps us deliver superior outcomes. It also means that we will drive productivity more relentlessly, both in the frontline and at our backend, helping our customers perform better when they work with us. We have launched a simplified brand structure and are putting in place clear communication strategies to convey these offerings to our customers.

For our People, we will step up efforts to develop associate skills, shepherd their careers, and manage their outcomes better. Our core employee focus will be on deepening and retaining our top talent, while becoming an even better place to work. In this matter, we are grateful to have received shareholder approval for the Quess Stock Ownership Plan 2020. We see this performance-driven scheme as an important step to align our employees' and shareholders' interest, and to enhance retention.

Delivering on this promise also requires us to strengthen our own bench. In this regard, I am happy to welcome **Sekhar Garisa** as Chief



With our increased scale, technology-intensity, and specialization, we believe the time is ripe to step up our role in driving productivity for our clients.

of Emerging Business & Corporate Development, **Mahesh Bhatt** as COO of Terrier, **Ashish Johri** as CEO of Allsec Technologies Ltd, **Deven Sharma** as CEO of Digicare and **Joy Kurian** as Group CTO.

For our Investors, we will target to deliver 20% operating cash flow growth year-on-year, and to hit and sustain an ROE of 20%. Our CEOs' targets have already been aligned to these goals, and we will not shy away from divesting or restructuring businesses which do not meet these performance expectations; as we have done recently with QEBFC, Selection, and Executive Search. The sale process for our Dependo Logistics business has been delayed due to the Covid-19 outbreak, but buyer interest continues. Meeting this goal will require us to also improve performance and change

focus in some of our businesses. Our Hofincons business, which offers Industrial Asset Management services, did not perform as per our expectations last year. We are optimistic that our initiatives taken in the past year and renewed leadership will drive better results going forward. Our jobs portal, Monster.com, has taken longer than expected to turn around and this has been somewhat exacerbated by the Covid-19 dominated environment. We have, however, reduced cash burn to a sustainable level and are seeing promising signs of an impending recovery. We also expect our IFM and North American businesses to grow at a faster rate going forward.

As I write this letter, we are going through difficult times in light of the Covid-19 pandemic. During these

testing times we have ensured that our employees are safe and secure by initiating BCP protocols, procuring sanitizers & thermal scanners, and enabling work from home. Our downside has to date been somewhat protected by our limited exposure towards the tourism, airlines and hospitality industries, and our historical focus on high quality large enterprise customers. Our efforts over the Covid-19 lockdown have been focused on remaining trustworthy to our customers by offering them new service lines, strengthening our relationships, and driving new client outreach programmes. We have made plans to variablise our costs, should revenues fall. We have also ensured we maintain adequate cash levels by doubling down on collections and cash management.

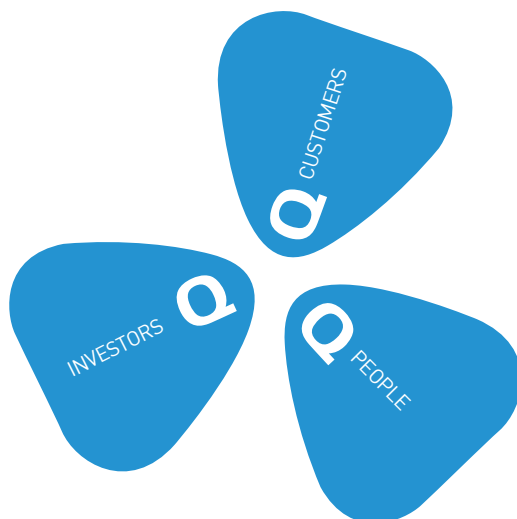
As a management team, we are determined to ensure that Qess, the institution, emerges from Covid-19 even stronger in market and institutional leadership. Meanwhile, we continue to push ahead on our Winning Together promise, including our objective of hitting 20% ROE while delivering 20% YoY growth in operating cash flows.

Regards,



**K. Suraj Moraje**

Executive Director & Group CEO



## Winning Together

*In your win lies our win*

# Message from the CFO



**Subramanian Ramakrishnan**

Group Chief Financial Officer

## Dear Shareholders,

Quess has delivered a strong performance this year, despite a challenging economic and operational environment. Our robust service delivery, exceptional value-added services and prudent financial practices significantly contributed to this growth.

### Financial Performance

On a year-on-year basis, our revenue from operations grew by 29% from ₹ 85,270 million in FY'19 to ₹ 109,915 million in FY'20. Our EBITDA stood at ₹ 6,578 million in FY'20 as compared to ₹ 4,646 million in FY'19, registering a growth of 42% over previous year. Our PAT declined from ₹ 2,565 million in FY'19 to ₹ (4,319) million in FY'20, down by 268% YoY due to one off exceptional items on account of impairment of goodwill/intangibles, impairment of investment in Quess East Bengal Football Club and the change in tax regime. Our Operating PAT stood at ₹ 2,835 million, up 11% YoY. Our margins, across operations, continued to be strong and EBITDA margin grew by 54 bps to 5.99% in FY'20.

Workforce Management platform, the highest contributor to total revenue mix, accounted for 65% of revenue, amounting to ₹ 71,542 million, increasing 42% YoY. Revenue from Operating Asset Management accounted for 16% of total revenue and amounted to ₹ 17,340 million, growing 2% YoY. Global Technology Solutions also reported improved revenue growth, contributing 19% to overall revenue mix, at ₹ 21,033 million, improving 18% YoY.

Our General Staffing business and Facilities Management business continued to demonstrate strong growth, relying on significant headcount additions and new service offerings. Conneqt and Allsec Technologies, our BPM businesses, along with our digital IT services business significantly contributed

towards our profit margins. While our IT staffing segment is gaining momentum, Digicare and Monster remains in investment phase and witnessed a subdued momentum.

At the time of book closure in April 2020, Covid-19 impact was significant and difficult to quantify. Under the circumstances, we wanted to be prudent in valuing our assets and to reflect possible market conditions. As a result, we have taken a step reduction in projections for the current year. However, we assume to have reasonable growth from next year. This assumption is uniform across all our assets and not any specific Cash Generating Unit (CGU). We still have sufficient headroom left in all the assets. Based on the above, we have taken a onetime non-cash charge on account of goodwill impairment of ₹ 5,063 million from certain CGUs including IFM, Allsec, Vedang, Trimax & MFX and impairment of intangible assets charge of ₹ 1,335 million from IFM, Allsec and Vedang. Further, we reversed a deferred tax liability of ₹ 1,054 million on the impairment of goodwill/intangibles. The company has exercised the option of moving to the lower tax regime to reduce our tax outflows. Consequently, we have taken a onetime MAT write off of ₹ 1,245 million and reduced our deferred tax by 155 million. Due to these one-time write offs, we recorded a loss of ₹ 4,319 million.

### Cash Flow from Operations

Our cash flow from operations grew 16% YoY, from ₹ 2,016 million in FY'19 to ₹ 2,346 million in FY'20, recording a major achievement during the year. We also improved our EBITDA to operating cash flow conversion ratio to 44% during the year under review,

up from 43% in the previous year. This milestone was achieved on the back of our concerted efforts to ensure timely collection of receivables and it resulted in a significant impact on our balance sheet.

### Balance Sheet

Our Gross Debt increased by 46%, and our cash balance increased by 27% to ₹ 7,921 million. Increase in gross debt was on account of acquisitions of Allsec Technologies during the year and additional ₹ 1,000 million taken as precautionary working capital in March 2020 due to Covid-19 lockdown. As on 31 March 2020, our debt to equity ratio stood at 0.49 times as compared to 0.29 times as on 31 March 2019.

We have been steadily reducing inter-company loans & advances through conversion to CCDs to the tune of ₹ 3,800 million for Excelus, Golden Star, Greenpiece, MFX Infotech, Dependo Logistics, Monster, Conneqt and Trimax Smart Infra. At a standalone basis, loan dropped from ₹ 4,012 million at the beginning of the year to ₹ 1,530 million by the end of FY'20.

### Corporate Actions

We successfully completed the acquisition of Allsec Technologies and smoothly integrated it with our Global Technology Solutions platform. We also completed the demerger of Quess Corp from Thomas Cook India Limited (TCIL), during the year. Post the demerger, 33% of our shares are directly held by Fairfax Holdings.

We acquired additional equity in subsidiaries including 30% in Goldenstar, 18.71% stake in Vedang

and 49% stake in Trimax Smart Infra. Board approved cash-neutral increase of stake in Terrier Security Services from 49% to 74%. Further, we completed merger of four wholly owned Indian subsidiaries, Aravon, CenterQ, CoAchieve and Master Staffing Solutions, and closed MFX Chile during the year. Board also approved the merger of 4 wholly-owned subsidiaries - Goldenstar, Greenpiece, MFX India and Trimax Smart Infra, with Quess. These consolidations were undertaken in line with our strategy to simplify our structure. The above actions will reduce the number of subsidiaries from 41 to 32.

We terminated the Joint Venture between QEBFC and East Bengal Football club with effect from 31 May 2020. In our Ahmedabad Smart City Project, we were able to collect ₹ 383 million in FY'20 besides ₹ 606 million in FY'19 out of the total project cost of ₹ 2400 million.

Looking ahead, we remain determined to pave our growth trajectory and achieve even stronger financial results. We aim to maintain our OCF growth at more than 20%, ensure strong EBITDA to operating cash flow conversion and reduce debt levels. Through our targeted financial strategies, we will also continue to be committed to long-term value creation for our investors, to maximize shareholder returns, today and tomorrow.

Regards,

  
**Subramanian Ramakrishnan**  
Group CFO



# Committed to Care

OVER THE YEARS, WE HAVE RECKONED THERE WAS A PRESSING NEED TO FOCUS ON QUALITY EDUCATION AND HEALTHCARE TO IMPROVE THE SOCIAL STANDING OF THE MARGINALIZED. AS WE REMAIN COMMITTED TO CARE, WE AIM TO ENSURE A BETTER PRESENT AND A BRIGHTER FUTURE FOR OUR NATION.

Careworks Foundation (CWF), established in 2014, is the CSR arm of Quess Corp. CWF is a non-profit initiative with a vision to actively contribute to the welfare of the community and create a positive

impact on the lives of people. Through its focus on healthcare and education, CWF aims to build a healthy & educated workforce that provides a sustainable livelihood for marginalized sections of society.

As part of our CSR initiative, CWF exclusively works towards uplifting government schools in Karnataka and Tamil Nadu.



## School enhancement program

CWF School Enhancement Program is a flagship initiative aimed at the holistic development of government schools, covering all key stakeholders including students, teachers, parents and local communities. Supporting quality education of underprivileged children remains the prime objective of this program.

It also strives to achieve holistic development through teacher's development programs and inclusion of parents in various activities which allow children to thrive in a positive environment and reach their creative best. Every minute element required to make the school a better place to learn is researched and implemented.

### Key initiatives:

#### Level 1



##### School Environment

Build afresh and renovate to ensure safety and hygiene.



##### Class Room Environment

Provide furniture, computer & science labs, library, sports, and learning aids

#### Level 2



##### Health Enhancement

Screening, medical intervention, enhancing mental health, and providing drinking water



##### Teacher Mentoring Program

Professional development and skill upgradation programs

#### Level 3



##### Academic Support Program

Life skills, scholarships, and education kits



##### Stakeholder Engagement

SDMC strengthening, school cabinet, PTA, and Prevention of Children from Sexual Offence (POCSO)

## Impact and Outcomes as on 31 March 2020

# 13,800

Students benefitted by this programme

# 18,331

Children screened under health program

# 24,233

Education Kits consisting of books, bags, learning aids and stationary distributed

# 2,975

Children trained on computer

# 398

Teachers trained

# 36%

Average increase in enrollment after intervention

# 295

Toilets renovated for children and teachers

# 73

Government schools covered

# 21

Libraries upgraded

# 14

Science Labs upgraded



# Profile of Board of Directors



**Ajit Isaac**

Chairman and Managing Director



**K. Suraj Moraje**

Executive Director & Group CEO



**Chandran Ratnaswami**

Non-Executive Director



**Gopalakrishnan Soundarajan**

Non-Executive Director



**Pratip Chaudhuri**

Non-Executive,  
Independent Director



**Pravir Kumar Vohra**

Non-Executive,  
Independent Director



**Revathy Ashok**

Non-Executive,  
Independent Director



**Sanjay Anandaram**

Non-Executive,  
Independent Director



## Ajit Isaac

### Chairman and Managing Director

Ajit Isaac is credited with building Quesst Corp into India's largest business services provider and private sector employer within a span of 11 years. Under his leadership, Quesst has accelerated the transition of informal jobs to formal platforms thereby helping bring predictable incomes, social security, healthcare and other benefits to many across India. He is a gold medalist in his PG programme in HR and a British Chevening Scholar from Leeds University. His expertise in identifying value-accretive and transformative deals combined with his focus on operational efficiency and business development has helped Quesst scale itself rapidly. He is passionate about giving back to society and was instrumental in setting up Care Works Foundation which today supports over 13,800 students across 74 schools. He was nominated for the 'India Forbes Leadership Award' in 2011 and was voted as a finalist in the 2016 Ernst & Young Entrepreneur of the Year (EOY).

## K. Suraj Moraje

### Executive Director & Group CEO

K. Suraj Moraje is a BE graduate from the National Institute of Technology in Surat, and a PGDM from the Indian Institute of Management in Ahmedabad, he spent two decades working at McKinsey & Company before joining Quesst in Nov 2019. During his tenure at McKinsey, he played an instrumental role in establishing the Firm's African Tech Media and Telecom practice and transforming the Philippines Office as the Managing Partner for the country. He also served on the Firm's global new Partner election committee, and as a Senior Partner.

## Chandran Ratnaswami

### Non-Executive Director

Chandran Ratnaswami is a Non-Executive Director of the Company. He is the Chief Executive Officer and Director of Fairfax India Holdings Corporation, a company listed on the Toronto Stock Exchange and is also a Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly-owned investment management company of Fairfax Financial Holdings Limited. Hamblin Watsa provides discretionary investment management to all the insurance and reinsurance subsidiaries of Fairfax and currently manages approximately \$ 40 billion of assets.

He serves on the Boards of Bangalore International Airport Limited, National Collateral Management Services Limited, Go-Digit General Insurance Limited, Thomas Cook (India) Limited, Fairbridge Capital Private Limited, Zoomer Media, Fairfax India Holdings Corporation (Canada), Thai Reinsurance, and Fairfirst Insurance Limited (Srilanka). He holds a Bachelor's degree in Civil Engineering from IIT Madras, India and an MBA from the Rotman School of Management, University of Toronto, Canada.

## Gopalakrishnan Soundarajan

### Non-Executive Director

Gopalakrishnan Soundarajan is a Managing Director at Hamblin Watsa Investment Counsel Ltd. He serves on the board of directors of Fairfax India Holdings Corporation, FIH Mauritius Investments Ltd, FIH Private Investments Ltd, Bangalore International Airport Limited, Anchorage Infrastructure Investments Holdings Limited, IIFL Wealth Management Limited and Primary Real Estate Investment Fund. Prior to this, he was the Chief Investment Officer of ICICI Lombard, the largest private sector property and casualty insurance company in India. He held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee. He holds a Bachelor of Commerce degree from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst ("CFA") and Member of the CFA Institute in the United States.

## Pratip Chaudhuri

### Non-Executive, Independent Director

Pratip Chaudhuri is an Independent Director of the Company. He holds a Bachelor's Degree in Science from St. Stephen's College, University of Delhi, a Master's Degree in Business Administration from Punjab University and is a member of the Indian Institute of Bankers. He has over 40 years of experience in the field of banking. He was the Chairman of State Bank of India and has also served as the Chairman of SBI Global Factors Limited and other SBI subsidiaries. He is currently an Independent Director on the board of several companies. He has been a Director at Quesst since July 2015.

## Pravir Kumar Vohra

### Non-Executive, Independent Director

Pravir Kumar Vohra is an Independent Director of the Company. He holds a Master's degree in Economics from the University of Delhi and is a Certified Associate of the Indian Institute of Bankers. He has over 40 years of experience in the fields of banking and information technology. He was previously the President and Group Chief Technology Officer at ICICI Bank Limited. He has held various leadership positions in India and overseas with the State Bank of India. He has been a Director at Quesst since July 2015.

## Revathy Ashok

### Non-Executive, Independent Director

Revathy Ashok is an Independent Director of the Company. She has over 30 years of experience in the field of general management, finance, and strategy. She last served as Managing Director of Tishman Speyer India and currently serves on the Board of leading listed and public companies. She has held senior leadership positions in global corporations such as the CFO at Syntel Inc., Director of Business Development and Finance at Tyco Electronics Group among others. She is an angel investor, advisor and mentor to start-ups. She holds a Bachelors degree in Science from Bangalore University and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. She was nominated as one of the women achievers by CII for Southern India in 2011. She has been a Director at Quesst since July 2015.

## Sanjay Anandaram

### Non-Executive, Independent Director

Sanjay Anandaram is an Independent Director of the Company. He holds a Bachelors degree in Electrical Engineering from Jadavpur University in Kolkata and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. He has over 30 years of Indian and international experience as a corporate executive, entrepreneur, investor, teacher and advisor to funds and entrepreneurs. He has been a Director at Quesst since December 2015.

# Management Discussion and Analysis (MD&A)

## Industry trends affecting our businesses

With more than 1 million people entering the workforce in India, every month, generating sustainable employment is critical for ensuring economic growth. While India's GDP is currently valued at ~US \$ 2.9 trillion against that of USA ~ US \$ 21.5 trillion, the contribution of business services sector to the GDP is ~13% in the USA and only 2% in India. Given this reality, the current addressable market size in India is roughly around US \$ 50 billion, of which Quess' business service share is only 3%. This implies significant headroom for growth.

The rapidly changing employment mix is providing further impetus to the economy. As per the World Bank, the agricultural sector contributed nearly 63% of the jobs created in India in 1991 but is currently at ~43%. On the contrary, the contribution of the services and industrial sectors have grown from 22% to 32% and 15% to 25%, respectively, during the same period. In the last five years, the services sector has grown at about 25% p.a., and is expected to grow further. This transition from agriculture to other sectors is likely to continue and there lies a huge opportunity for Quess.

The recent outbreak of Covid-19, which led to an economy wide lockdown, poses a challenge and has altered the outlook of the Indian economy in the short term. The Indian economy is expected to contract by 4.5% in FY'21 as per IMF reports. However, India is expected to bounce back in 2021 and in the long term. The Government of India and the Reserve Bank of India have been working in tandem to revive the economy and have introduced monetary

as well as fiscal stimulus packages. These measures could decelerate the current slowdown.

## Workforce Management

**General Staffing:** India is the 5<sup>th</sup> largest staffing market globally (by volume) and is poised to grow at a CAGR of 22.7% from 2018-2021, to reach 6.1 million flexi-staffing workforce by 2021. Demonetization and implementation of GST had given a significant push to the formal sector. With a rising percentage of formal employment, more jobs are being created, which in turn is driving growth for the sector.

**IT Staffing:** Information technology sector in India is expected to grow by 7.7% to reach US \$ 191 billion in FY'20, with exports contributing US \$ 147 billion. The technology services industry is estimated to employ 7,20,000 flexi staff by 2021, registering a growth of 13% between CY 2019-21. It will be primarily driven by increasing demand for digital technology skills, a waning bench strength and cost-efficiency mandates.

**Skilling & Learning solutions:** With over 600 million people under the age of 25 years, India is home to the world's largest youth population and is one of the fastest-growing economies in the world.

In Union Budget FY'21, ₹ 99,300 crore has been allocated for the education sector, of which ₹ 3,000 crore has been allocated for skill development programmes like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY). In the post-Covid world, a larger share of this is likely to be digitally delivered.

## Operating Asset Management

**Integrated Facilities Management:** Indian facilities management sector involves the maintenance of property, buildings, equipment and optimization of inventory and other operational elements. The country's facilities management sector is fragmented, as most of the facilities in the country rely on in-house operations for their maintenance and building management processes. Of the total market, organized facilities management accounts for about 54% and is expected to grow at a CAGR of ~20% from CY 2019 to 2030, to reach US \$ 15 billion. Other factors such as increased formalisation of jobs, growing adoption of IoT devices & smart connected devices for building automation, rising investment in infrastructure, increase in co-working space, and growth in retail & hospitality sectors will contribute to the growth of the sector.

**Security Services:** The Private Security industry is the 2<sup>nd</sup> largest employment generating sector after agriculture. The sector is primarily dominated by unorganized players, although organized players occupy around 40% of the sector. The sector is projected to grow at a rate of 15-20% annually to reach ₹ 1.5 lakhs crore by CY 2023. The main factors contributing to the growth of this sector consist of an increasing need for property security, urbanization, low police to person ratio, and growing population in major cities, among others. With mushrooming of shopping malls, special economic zones, self-contained townships, IT parks and other exclusive facilities, demand for private security services in India is expected to soar over the coming years. The market size, by headcount, is estimated to grow from 9 million in 2019 to 33 million in 2030.

**Industrial Operation and Maintenance services** forms a non-core activity for power, steel and cement plants. To improve equipment uptime, reduce maintenance cost and increase operational excellence, companies are outsourcing O&M activities. With growth in infrastructure and capacity addition of plants, the O&M industry is expected to significantly benefit from the same.

**Telco Network Services:** India currently has around 1.19 billion telephone subscribers (both fixed and mobile phone), consuming 5.3 million Terabyte of data every month, making it the 2<sup>nd</sup> largest telecommunications market globally. However, companies in the telecom sector recently started experiencing financial stress and have been grappling with issues related to Adjusted Gross Revenue (AGR) dues which led to a slowdown in the industry, which is expected to continue in the short term. The much-anticipated introduction of 5G network in India is expected to augur next level of growth. While empowering consumers with advanced technology, it will also need a strong operational ecosystem to ensure uninterrupted service. This is where our domain expertise in the telecom sector will prove beneficial and effectively position us to capitalize on emerging opportunities. The increased focus on connectivity during the pandemic that is getting embedded in new ways of doing business makes FY'21 more promising and we expect more investments in the Telecom sector.

### Global Technology Solutions

**Business Process Management (BPM):** The global BPM market size stood at US\$ 221.5 billion in CY 2019, and is projected

to reach US \$ 405.6 billion by CY 2027, registering a CAGR of 8% from 2020-27. Enhanced operational efficiency, improved customer service, innovation, flexibility and cost saving is expected to contribute to this growth. The Indian BPM Industry revenue grew by 8.2% to reach US \$ 38 billion and domestic revenues grew by 6.5% to reach US \$ 44 billion. Key trends like the advent of Robotics Process Automation (RPA), Adaptive Case Management, Increasing demand for no-code/low-code BPM and Artificial Intelligence (AI) going mainstream will impact the market.

**Payroll Outsourcing:** The global payroll outsourcing market is estimated to grow at a CAGR of 4.4% to reach US \$ 10,336 million by 2023. With a market share of ~71%, North America and Europe are the major contributors to the overall growth of the market. Various trends such as Bundling Payroll Services, Multi-Country Payroll Outsourcing (MCPD), Process Automation and Adoption of Cloud-Based Services are gaining traction and are expected to drive further growth in the segment. Moreover, cloud-based systems are expected to change market dynamics, offering new opportunities to players to easily align payroll with HRMS.

**Internet - Online Job Recruitment:** Currently, there are over 4 billion internet users across the world and 55% of the total hail from the Asia-Pacific region. Despite low penetration of 40%, India has 560 million Internet users, 2<sup>nd</sup> highest in the world. This number is expected to increase to over 660 million by 2023. The growth of the internet has ushered a new era for businesses around the world. The global online recruitment market is estimated to reach US \$ 39 billion by 2025, recruiting

close to 400 million candidates. Online recruitment as measured by The Monster Employment Index in India has witnessed an upward trend and has registered a 14% YoY growth in February 2020. As many as 27 industry sectors witnessed an increase in online recruitment demand, as compared to the same period in the previous year. This growth was primarily led by the Retail sector which registered a growth of 54% from a year ago, followed by Media & Entertainment and Banking/ Financial Services and Insurance (BFSI).

**After-sales support services:** After-sales support services industry in India is estimated to be pegged between ₹ 8,000 to 10,000 crore and is growing at an average rate of 15-20% YoY. The consumer electronics segment has been growing rapidly in India. There are around 2.4 billion devices including electronic items, smart phones and appliances, all in different stages of their life cycle. There is also a rapid proliferation of devices like mobiles, tablets, laptops and portable entertainment systems. Similarly, other consumer appliances have also seen a growth in demand. Affordability and changing consumer dynamics in rural India comprise the primary growth driver for this segment. Additionally, the country's overall mobile handset market is the second largest market in the world and has grown 9% YoY in FY'20. As per industry reports, in FY'19, the smart phone repair industry alone in India was worth US \$ 4 million, with close to 500 million smart phone users across the country.

## Financial Performance

(₹ in Millions, unless otherwise specified)

Particulars	Consolidated		Standalone	
	FY'20	FY'19	FY'20	FY'19
<b>Revenue</b>	<b>109,914.82</b>	<b>85,269.93</b>	<b>77,402.32</b>	<b>56,947.89</b>
Less: Cost of Materials and Stores and Spare Parts Consumed	2,670.55	2,624.05	1,309.54	1,397.40
Less: Employee Expenses	90,634.38	67,132.12	67,914.63	47,664.93
Less: Other Expenses	10,031.87	10,867.98	4,842.87	4,715.66
<b>EBITDA</b>	<b>6,578.02</b>	<b>4,645.78</b>	<b>3,335.28</b>	<b>3,169.90</b>
EBITDA Margin	5.99%	5.45%	4.31%	5.57%
Add: Other Income	510.89	712.26	475.46	465.44
Less: Finance Costs	1,668.01	1,143.99	967.99	636.66
Less: Depreciation & Amortisation Expense	2,486.07	1,231.50	656.18	454.02
Add: Share of Profit/(Loss) in Associates	(138.33)	(88.09)	-	-
Less: Exceptional Item	6,640.52	-	5,261.18	-
<b>Profit/(Loss) Before Tax</b>	<b>(3,844.02)</b>	<b>2,894.46</b>	<b>(3,074.61)</b>	<b>2,544.66</b>
Profit/(Loss) Before Tax Margin	(3.50)%	3.39%	(3.97)%	4.47%
Less: Tax Expense	474.76	328.97	294.46	204.33
<b>Profit/(Loss) After Tax</b>	<b>(4,318.78)</b>	<b>2,565.49</b>	<b>(3,369.07)</b>	<b>2,340.33</b>
Profit/(Loss) After Tax Margin	(3.93)%	3.01%	(4.35)%	4.11%
Add: Other Comprehensive Income/ (Losses)	97.44	63.46	(51.22)	(15.38)
Total Comprehensive income for the year	(4,221.34)	2,628.95	(3,420.29)	2,324.95
Diluted EPS (in ₹)	(30.22)	17.51	(22.89)	15.96

## Key Highlights for FY'20

## Revenue from operations

- > The Company's consolidated revenue registered a growth of 29% to reach ₹ 109,914.82 million as compared to ₹ 85,269.93 million in FY'19. This was mainly due to:
  - > Increase in Employee headcount by 66,132, from 3,18,000 in FY'19 to 3,84,132 employees in FY'20, registering a growth of 21% year on year.
  - > Organic revenue growth for the year stood at 26%, mainly led by General Staffing which has grown by 56% year on year.

## EBITDA

- > Consolidated EBITDA reached ₹ 6,578.02 million, registering a growth of 42% over the previous FY'19, driven by margin expansion in IFM and consolidation of Allsec Technologies (Allsec).
- > EBITDA margins stood at 5.99% for the year against 5.45% in FY'19, a growth of 54 bps.

## Finance Cost

- > The Company paid interest of ₹ 1,668.01 million for the year. The Finance Cost for FY'20 increased 46% over the previous year mainly due to adoption of IND AS 116 for Lease Accounting (₹ 298.12 million) and increase in credit utilization.
- > The Gross Debt increased from ₹ 7,844.47 million in FY'19 to ₹ 11,468.97 million in FY'20 due to increased working capital drawn in March 2020.
- > Finance cost includes impact of Non Controlling Interest put option (NCI put option) to the tune of ₹ 208.74 million in FY'20 and ₹ 265.17 million in FY'19. NCI Put Option is a non-operating and non-cash charge to the P&L to take into effect Quess' obligation to acquire balance equity shares in our subsidiaries, mainly related to Conneqt, for an exercise price specified in the share purchase agreement.

## Depreciation and Amortization Expenses

- > The Consolidated Depreciation & Amortization (D&A) Expenses increased 102% to ₹ 2,486.07 million in FY'20, from ₹ 1,231.50 million in FY'19.

- > Increase in D&A Expenses is due to changes in accounting treatment of operating lease. Lease rentals in previous period are treated as depreciation cost for the right-of-use asset in the current financial year (₹ 1131.63 million).

## Exceptional Items

- > Goodwill impairment of ₹ 5,062.86 million pertains to a few Cash Generating Units (CGUs) of Quess, namely, IFM, Allsec, Vedang, Trimax and MFXchange.
- > Impairment of intangibles in customer relationships of ₹ 1,334.81 million is associated with IFM, Allsec and Vedang.
- > Impairment of Investments and loans of ₹ 242.85 million relate to the investment in Quess East Bengal Football Club (QEBFC), which was terminated on 31 May 2020.

**Income Taxes**

- > During the year, the Company has exercised the option of availing a lower tax rate under Section 115BAA of the Income Tax Act, 1961, as introduced

by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY'20. Accordingly, Qess has written off the accumulated MAT credit of ₹ 1,245.20 million and re-measured other accumulated net deferred tax

assets as of 31 December 2019, based on the rate prescribed under Section 115BAA, resulting in additional expense of ₹ 154.75 million, as shown in the consolidated financial results.

**Balance Sheet Analysis**

Particulars	FY'20	FY'19
<b>Leverage Metrics</b>		
Debt: Equity	0.49x	0.29x
<b>Working Capital Metrics</b>		
Billed Receivable DSO	33 days	39 days
<b>Return Metrics</b>		
RoCE (pre-tax)	14.62%	12.85%
RoE (post tax)	(17.01%)	9.89%
Normalised RoE (post tax)	11.18%	9.89%
<b>Credit Rating</b>		
Long Term	ICRA AA [Stable]	ICRA AA [Stable]
Short Term	ICRA A1+	ICRA A1+

- > **Billed Receivable DSO:** Billed receivable DSO improved from 39 days in FY'19 to 33 days in FY'20 as we continue to focus on collections and Government dues across all businesses.
- > **Cash and Cash Equivalents:** The cash and cash equivalent balance including bank balances and current investments stood at ₹ 7,921.13 million as on 31 March 2020, in comparison to ₹ 6,239.65 million on 31 March 2019, registering a growth of 26.95% on account of

increased revenue from operations and cash flow from operating activities.

- > **Borrowings:** Long-term Debt reduced by ₹ 940.52 million to ₹ 1,149.67 million, as on 31 March 2020. Short-term Debt increased by ₹ 4,565.02 million to reach ₹ 10,319.30 million as on 31 March 2020 due to Allsec acquisition and an increased precautionary working capital line drawn down in March 2020 due to Covid-19.

- > **Cash Flow from Operations:** Cash flow from operations increased by 79% to ₹ 3,610.98 million in FY'20, from ₹ 2,015.84 million in FY'19.

- > **OCF to EBITDA%:** The ratio increased marginally to 44% from 43% in FY'19. Due to Covid-19 lockdown, we pre-released associate salaries and associated expenses to the tune of ₹ 370.00 million in the last week of March. OCF conversion normalised for the above would have been 51%.

**Financial Ratios**

Ratios	FY'20	FY'19
DSO days	33 days	39 days
Interest Coverage Ratio	5x	5x
Current Ratio	1.27	1.37
Debt Equity Ratio	0.49x	0.29x
EBITDA Margin	5.99%	5.45%
Net Profit Margin	(3.93)%	3.01%
Normalised Profit Margin	2.43%	3.01%
Return on Net Worth	(17.01%)	9.89%
Normalised Return on Net Worth	10.51%	9.89%
Debtor Turnover Ratio	11.5	9.3
Working Capital Turnover Ratio	17.46	11.95

- > Debt Equity Ratio increased due to Allsec acquisition and increase in short term debt driven by higher working capital lines required in Mar'20 to ensure there are no cash flow issues during Covid-19.

- > Profit margin of 2.43% and Return on Networth of 10.51% are normalised for exceptional items in FY'20.

- > Interest Coverage Ratio is slightly lower YoY mainly due to incremental interest

expense on account of adoption of IND AS 116 on Lease Accounting (₹ 298.12 million). [Interest Coverage Ratio = EBITDA / Interest Expense].

# Business Segment Overview

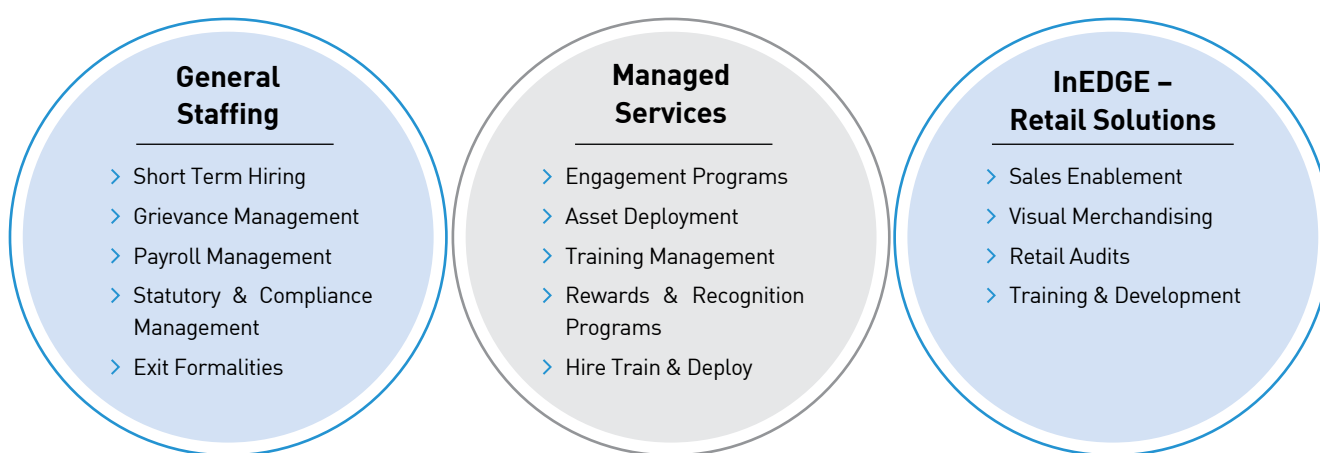
## Workforce Management

Quess' WFM segment offers expertise in General Staffing, IT staffing, Skilling and learning solutions, Digital compliance solutions and Logistics services. In terms of scale and reach, we have successfully established a pan-India presence with 65 branches, making us readily accessible to our clients. Further, with a total team size

of 3,578 members, Quess Corp is one of the few players in India to handle large-sized payrolls, i.e. clients with more than 10,000 employees. As on 31 March 2020, we are actively managing more than 5 clients with an associate base of more than 5 digits each - a rarity in the industry. Many of our achievements were first-of-its-kind for

the company and set benchmarks for the industry to follow. We registered a volume growth of 30% over the previous year, increasing our total headcount to 2,62,000 associates, as on 31 March 2020.

## Services Offered

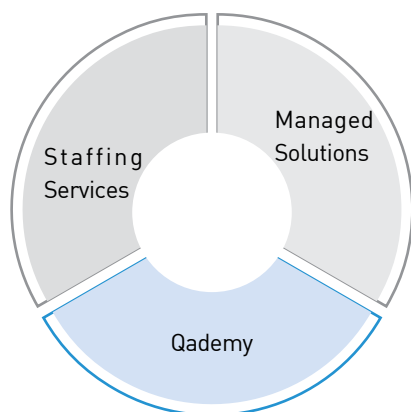


## General Staffing

- > Emerged as the largest, and fastest growing staffing company in India. General Staffing headcount ended at over 2,47,000.
- > The General Staffing headcount recorded an increase of 30% YoY, the highest growth year in Quess Corp's history.
- > In FY'20 we migrated 26,000 candidates for a BFSI client, in a single transaction, a first-of-its-kind in the history of India's staffing industry.
- > We expanded our integrated service offerings, increasing our ability to manage workplaces. In FY'20, we managed more than 115 such projects across India as compared to 30 in FY'19.
- > We handle complex projects that require Infrastructure support, Asset support like laptops and tabs, tech solutions, app-based support, surveys and managed-sales programs. These are services that not just differentiate Quess Staffing but also provide immense productivity value-adds to our clients.
- > We have over 250 field recruiters who help us with recruitment requirements and have an influx of 60,000+ walk-in candidates every month (pre-Covid), across our offices. Our huge database serves as a reliable source for finding the right fit for multiple profiles.
- > We have recently introduced Refermax employee referral scheme, wherein current employees can refer friends and avail monetary incentives, allowing us to meet regular recruitment targets with ease.
- > Our technology solutions enable us to manage our people efficiently and provide reports and analysis to customers on a real time basis. Today, one core employee of Quess manages nearly 330 associates, setting a benchmark for our industry.



### IT Staffing



- > Our IT staffing business, earlier known as Magna Infotech, is India's largest IT staffing company with over two decades of experience in recruiting IT professionals for more than 400 companies, across multiple levels and profiles.
- > Our database includes candidates with traditional knowledge of Java, Php and .net along with those having new age skills like Analytics, AI, Machine Learning and Cloud computing.
- > The IT staffing business added nearly 207 new customers in India and ~100 unique customers globally.
- > We plan to expand IT staffing beyond the BFSI industry in Singapore and introduce new general staffing services with a dedicated GTM team through our time-tested Hire-to-Deploy Model.

### Skilling & Learning Solutions

Our Skilling & Learning solutions business specializes in enhancing employability for youth in collaboration with government, corporate and industry partners. We are among the largest PPP training providers in India, providing skill-based training in partnership with National Skill Development Corporation (NSDC) and 16 Sector Skill Councils.

- > Recognised as a "Champion Employer" for the third time by the Ministry of Rural Development.
- > We provide residential training programs under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) and

Pradhan Mantri Kaushal Kendra (PMKK) schemes across more than 120 training centres located in Tier 2 and Tier 3 cities.

- > We are present across the training lifecycle and provide skills across Tourism, Retail, Construction, IT/ITeS and Logistics sectors in these centres.
- > With a focus on expanding our B2B and B2C presence in this segment, we introduced several new career-focused training courses during the year. As a part of our digitization drive, we also initiated digital learning and content creation programs during the year.



### Digital Compliance Solutions



- > Simpliance is India's largest digital compliance platform for labour law consolidating the numerous acts, rules, Govt. notifications and minimum wage codes.
- > We provide technology-based governance, risk and compliance (GRC) solutions to organizations varying in size, ranging from large corporates to start-ups.
- > Simpliance GRC Solutions registered more than 104k users across manufacturing, consulting, logistics, IT & ITeS, telecom, media and retail sectors.
- > To ensure ease of operations, we provide our clients access to a huge repository of catalogued labour laws in India.

### Other services:

> We provide logistics services through our brand Dependo. It is one of the fastest growing logistics brands providing end-to-end logistics solutions

with an expertise in last mile delivery services. Our 1,000+ delivery executives delivered 100k packets per day in more than 70 cities across the country in

FY'20. We are currently undertaking a sale process for this business.

### Digital Solutions

Quess introduced 'InEDGE', an application-based tracking system for associates, almost five years ago. It is today India's most widely-used workforce productivity tool. It is being used by 200+ companies and has clocked over 5 lakh downloads with a rating of 4.4 (on a scale of 5) on the Google Play store.

During the year, we also launched our asset management tool for enterprises looking to drive digital transformation in the GRC space. The software and its mobile app is used to conduct recurring audits, track Annual Maintenance Contracts, and manage performance of asset managers.



### Financial Performance

Our revenue from the WFM platform grew by 42% and EBITDA improved by 25%. The growth of the segment was mainly driven by strong headcount growth in General Staffing which is the oldest and organic service line. WFM is the biggest contributor to overall revenue, contributing around 65% of the total revenue of Quess in FY'20. The Company improved the collect & pay to credit contracts to 72:28 in FY'20 from 65:35 in FY'19.

### Focus Areas

- > Our General Staffing business will continue to drive volume growth via new client introductions, increasing share of value added services and improving efficiency through digitization.
- > Within IT Staffing, we will improve productivity and target higher fitments per recruiter. Further, IT Staffing is also focused on expanding its digital & products verticals and enhancing sourcing channels through hackathons.
- > Our Skilling and Learning Solutions business will increase its focus on the B2B/B2C segments, while reducing exposure to OCF-poor government programs.
- > With gig economy gaining popularity and advent of new technologies such as Artificial Intelligence & Robotic Process Automation, the HR industry is changing fast. Further, the restrictions on manual hiring procedures during Covid-19, has generated the need for quick and remote onboarding of employees. We will focus on improving paperless on-boarding, virtual screening and online interview experiences for our clients.
- > Moving forward, our digital solutions will offer us a competitive edge, and help us build an agile and sustainable business model.



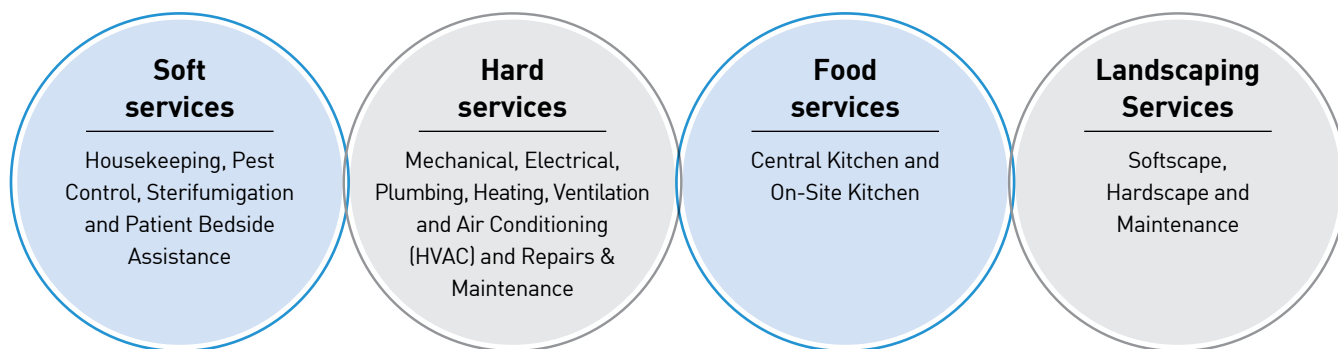
## Operating Asset Management

We offer a wide range of services including Integrated Facilities Management (IFM), Security, Industrial O&M, Utilities and Telecom services under one umbrella.

### Services Offered

#### Integrated Facilities Management

We deliver a wide range of Soft Services, Hard Services, Food Services & Landscaping Services



- > We manage nearly 258 million sq. ft. of workspace for 700+ customers across 2,200 client sites. We also prepare ~1,77,000 meals per day (pre-Covid), from 40 kitchens, for our clients from diverse sectors.
- > With more than 33 offices across 22 cities in India and an employee base of 68,000, we provide best in class facilities management services to some of the renowned corporates in the country.
- > Our business has received global process quality certifications (ISO 9001:2008 and ISO 22000:2005) and is also a member of ISSA, the global cleaning industry association.
- > We have created a niche for ourselves by offering verticalized solutions across Education, Healthcare, BFSI, IT and ITeS, Government and public utilities. Education & IT/ITeS verticals contribute 49% of the business where we manage 300+ clients, 40k student beds & 4 of the 6 Institutes of Eminence in India. We partner with large educational institutes in India to ensure the well-being of students, wherever they are on campus. By providing services to 240+ clients in the IT & ITeS sector, we partake in the Indian economy's growth engine and help India innovate the world.
- > We currently have a Comprehensive vs Manpower contract ratio of 25%. We are constantly working to improve it in favour of higher Comprehensive contracts.
- > Our ability to deliver quality end-to-end facilities management services has also enabled us to have an industry-leading Direct to Aggregator led project ratio of 86:14. Our conscious effort to prune low value adding Indirect contracts with high DSOs helped us achieve this ratio, which had an impact on our growth momentum this year.
- > True to our entrepreneurial and innovative culture we have introduced new service lines like Sterifumigation and Fumigation tunnels to help our customers operate during the lockdown without hindrance.

#### Security Services

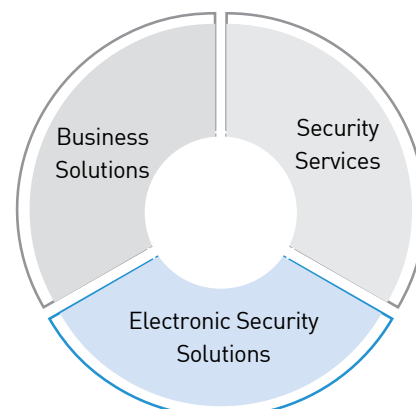
Terrier, Quess' security services arm, is one of India's leading integrated security solutions providers. Our holistic security solutions include technology-enabled manned guarding, e-surveillance, command center-led business solutions, perimeter intrusion detection, intelligent protection, and total loss prevention.

- > We work with some of the biggest brands in India and we have expertise in IT/ITeS & Manufacturing verticals.
- > We have also introduced services like visitor management tools ('Sequire'),

employee management tools, and fire-fighting services.

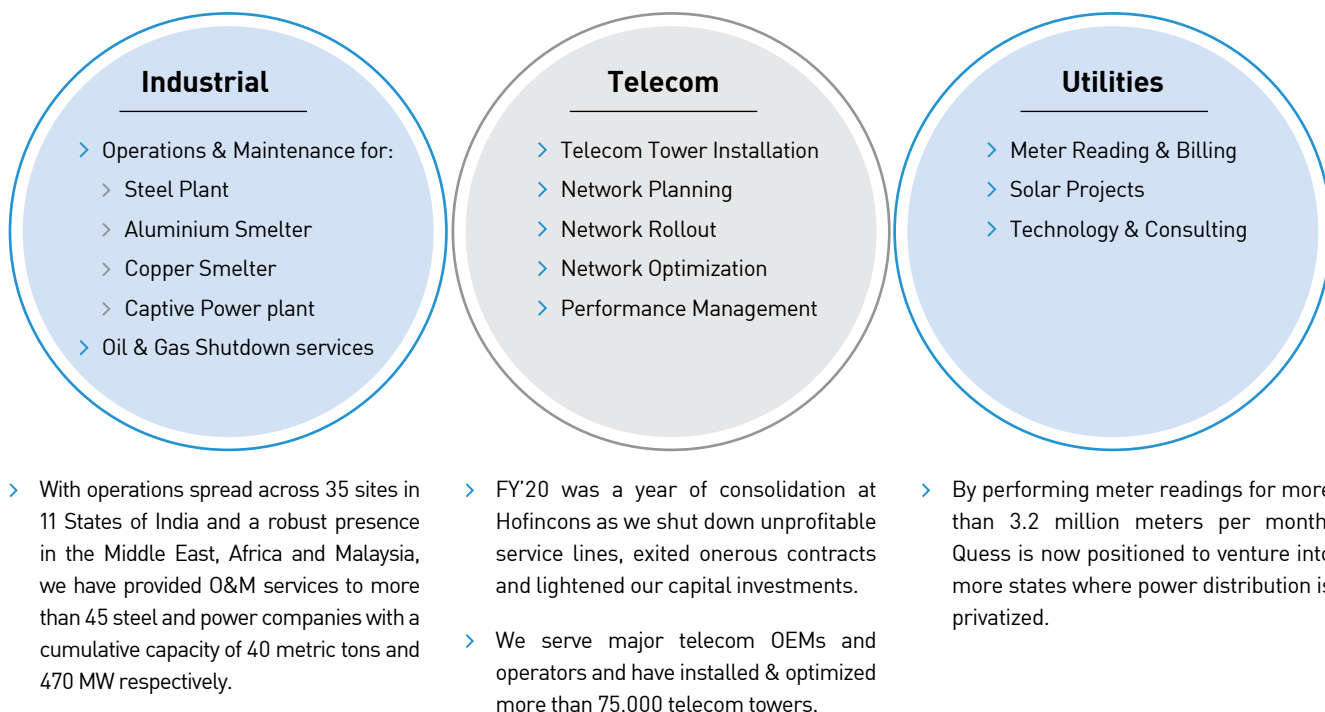
- > With 21,050 security guards and PSARA license in 19 states, we provide services to schools, colleges, banks, corporate offices and large public events.
- > Under PSARA Act, training is critical. To fulfil this mandate, we have strategically located residential and non-residential training centres across India.
- > To further strengthen our electronic surveillance ecosystem, we continue to

build our analytics capabilities at our existing command centre.



## Industrial Services

Hofincons is one of the oldest brands at Qess. We provide expertise in Industrial Asset Management through Operations & Maintenance for Metal & Power Plants and Shut down services for Oil & Gas plants. Qess also provides Telecom network planning, installation and optimization services through Vedang.



## Digital Solutions

Using cutting-edge technologies like IoT, the Company has introduced solutions like smart washrooms for its clients in the IFM business. With an aim to improve operational efficiency at client sites, we focused on mechanisation and trainings to drive associate productivity. We implemented an advanced remote feedback system on the InEDGE digital platform, an IoT enabled system to track the efficiency of specialized machines, and employed a paperless on-boarding mechanism that allows us to take a candidate on-board within 14 minutes. We believe that digital and tech innovations will transform the way we and our customers do business in the coming years.

## Financial Performance

The revenue from the OAM platform increased by 2% in FY'20 mainly due to closure of unprofitable contracts and service lines in Industrials, and reduced exposure to indirect Contracts in the IFM business. The segment accounted for 16% of the overall group revenue. Integrated

Facilities Management business accounts for a majority share in the total revenue of the platform i.e. 78% in FY'20. The revenue from Facilities Management business grew by 10% YoY with EBITDA margin improving to 10.1% in FY'20 from 8.6% in FY'19. This was achieved on the back of enhanced focus on acquiring more direct and comprehensive contracts.

## Focus Areas

- > In Integrated Facilities Management, we intend to increase our share of comprehensive contracts vs manpower contracts, while introducing new digital tools to enhance clients and associates' experience, drive productivity and support greater growth. We will strengthen our Sales team and improve account management and will continue to deepen verticalization.
- > In Security Services, we are making concerted efforts to grow our IT/ITeS and Manufacturing verticals and also revamping our Key account strategies

adding 120+ clients across verticals. As we plan to scale up our market presence, we intend to enhance our training capacities from the current levels of 300 to 1,000 candidates per month.

- > In Industrials, we will continue our focus on providing Engineering services, SLA/ outcome-based and Asset-light projects within Hofincons, while building domain expertise and pushing from manpower to solution-driven contracts. The much anticipated introduction of 5G network in India is expected to augur the next level growth for our Telecom business.
- > Counting on the multi-year relationships that we have built with our clients and a large Direct-customer base, we will scale up our focus on cross-selling. Going forward, we would like to evolve as an outcome-based solution provider instead of restricting ourselves to manpower.

## Global Technology Solutions

Quess GTS business pivots around 2 correlated, synergistic axes across Digital IT Services and Business Process Management. FY'20 was a watershed year for the business with the establishment of the Quess GTS Platform and service line expansion. Our focused client acquisitions and deep operational transformation led to significant value accretion across constituent businesses in both North America and India. The synergistic acquisition of Allsec Technologies further added to the depth of our service offerings, coupled with our growing client base. Currently, the GTS platform derives 72% of the business from India and 28% from North America, with BPM contributing to 67% of the business and Digital IT Services 33%. In view of our evolving differentiated proposition, and the market size of the overall opportunity space we are targeting, we are optimistic about the headroom in this segment of Quess' business.

### Services Offered

#### Digital IT Services

- > Quess GTS has left an indelible mark in the lucrative North American Insurance industry through long-standing partnerships with Global P&C insurance majors. Our proprietary InsureTech platform in MFX, spanning the insurance business value chain across submission, policy, underwriting, claims and corporate records transact more than US \$ 3 billion of premiums through the platform annually.
- > MFX has a robust track record in its 18 years of operation and currently has 38+ insurance carriers, MGAs and TPAs in its client roster. The business architecture based on platform-centricity of the business, with surround IT Services, leads to a significantly higher Revenue/Employee metric indicating the non-linear nature of the business compared to that of pure play IT Services players.
- > Qtek Systems complements our Digital IT Services offerings in the domestic market, through a focused play in the fast-growing Cloud, Infrastructure Management and Cyber Security Services space. Over the 2 years since its inception, it has been one of the fastest growing players in the Indian market, on the back of a service delivery architecture based on an optimum mix of NOC/SOC based Managed Cloud and Data Center Services, End User Compute and System Integration services. The MFX and Qtek businesses have been operationally integrated in the last financial year to provide a full spectrum of Digital IT Services seamlessly across clientele in North America and India.
- > During the year, we have also expanded our value proposition for the IT Consulting business in the Canadian market. We built on our existing strength as a strong incumbent in the IT Consulting space for the Canadian Public Sector, to expand into the Canadian private sector with the full suite of the Quess GTS Digital Services portfolio. While we retain the deep moat that we possess in the Canadian Government market, we continue to complement that with a land and expand strategy in the private sector based on the integrated value proposition we possess across IT Services and BPM.

#### InsureTech Platform



**Industry leading** SaaS solution for Policy, Underwriting, Billing & Claims processing for North American P&C insurance industry

**US \$ 3 billion Premium per annum processed** through MFX Corporate Records: Data Management spanning the P&C value chain across Carriers/MGAs/TPAs

#### Cloud/Infra & Cyber Security



- > Private **Cloud based Platform Solution**
- > **Infra Mgt across Data Centers** & End users
- > SOC based **Cyber Security** monitoring
- > Consulting, Migration & System Integration Services

#### Analytics/Automation & Digital Testing Services



**Data warehouse & Business Intelligence** in P&C RPA

**Domain-led Digital Testing Services** for COTS & Custom Apps

#### IT Consulting



- > **Leading IT Consulting player In Canadian Government market**
- > **Expanding Canadian Private Sector** business
- > High value Digital, Business Analyst and Program Management skills
- > **IT Consulting business acts as beach-head for land and expand** strategy across North American clientele

## Business Process Management

- > Conneqt, amongst the top two BPM service providers in India, has engraved strong customer relationships with leading business conglomerates in India.
- > The acquisition of Allsec Technologies in the current fiscal was an inflection point for the GTS platform, as it helped us pursue our strategy of deepening our CLM service line and acquiring a market leading foothold in the Human Resources Outsourcing (HRO) segment. The domestic leadership of Conneqt in the CLM space, complemented by Allsec's international CLM footprint and its ability to handle 24 regional languages in India and 12 international languages, serviced through a globally distributed delivery model across India, Philippines and US strengthens our CLM proposition. We cover all facets of the customer experience paradigm across traditional voice and emerging omni-channel models built on a strong Digital Ops architecture.
- > Allsec Technologies has created significant salience in the HRO market, through its SaaS based outsourced payroll solution, catering to marquee clients. We sustained our market leadership in the HRO business during the year under review. Employing nearly 400+ full-time employees, we provided HRO services to 400+ companies across 30 countries in the Middle East, South Asia, Africa and Asia Pacific. The deep domain expertise in HRO and payroll management services is helping us morph into a full-fledged platform-based HRMS player in both India and abroad.
- > In the Collections space, Conneqt has emerged as a leading player in its peer group for the domestic market, based on a unique proposition that combines Digital apps with Feet-on-Street (FOS) services. Coupled with Allsec's expertise in the North American collections space, we foresee an integrated proposition, covering Debt Collections, Fraud and Dispute Management and Revenue Cycle Management built on the strengths of both technology as well as FOS, as applicable, to drive a potential growth play across both domestic and international markets.

### CLM



- > Leading Domestic CLM player ~31,000 FTEs
- > Growing international CLM business in India, Philippines & US
- > Enabling customer experience through Digital Ops & Automation
- > Digital business - 20% of CLM business

### HR Outsourcing



- > Leading HR Outsourcing Services provider
- > SaaS based outsourced payroll solution catering to 35 genres.
  - > SmartPay
  - > SmartHRMS
  - > Compliance Solutions

### Collections



- > Digital Solutions for
  - > Debt Collections
  - > Fraud & Dispute Management
  - > Revenue Cycle Management

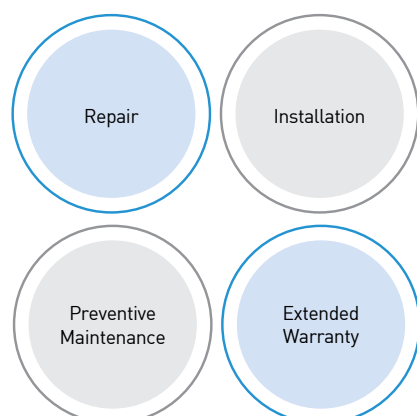
### F&A Outsourcing



- > Finance & Accounting
- > Transaction processing powered by RPA
- > Compliance Management

## Emerging Businesses

### Digicare



- > We are a leading player in India's after-sales service and support market for consumer products like mobile phones, electronics, and durables with facilities for repairing 1.5+ million mobile phones and electronic appliances.
- > Digicare has a mix of in-centre & home service revenue streams through partnerships with marquee OEMs and e-tailers, to serve consumers across 569 cities in India.
- > We expanded our offerings with an array of value-added services including extended warranty services, Insure against failure and Pre-sales technical demos. This will help us improve productivity, realise better operating margins, & build our B2C business.
- > This year, Quess and Digicare executed an investment agreement with Amazon for ₹ 510 million. Amazon's investment in Quess would be utilized for the rapid expansion of its service network, and adding new service lines & product categories to strengthen the technology platform.

**Monster.com**

- > With a database of more than 65 million registered users, around 2.7 million job views per month and about 11.1 million site visits per month, Monster.com today is one of the premium job portals catering to India, South East Asia, and the Middle East, offering a host of services for recruiters and job seekers.
- > In the last 12 months, we have rebuilt the portal's architecture from monolithic to a modern module-based and microservices enabled architecture.
- > The Beta version was released to immense customer satisfaction. Based on the testing we are improving search results, increasing time spent on candidate page by 70%, and delivering fresh data in quick time by significantly reducing indexing time.
- > Recruiters are happy with the contemporary and intuitive filters and redesigned interface supported by the algorithmic changes in the back end.
- > Job seekers have approved our new Seeker app with a 4.2 rating and are now enjoying a stable and improved user interface, enabling easier registrations.
- > The revamped portal holds great significance for us; it provides our customers with unmatched experiences, offering an ideal combination of flexibility, agility and accuracy. It aims to address challenges associated with job searches at the root level, thereby increasing job applications and recruiter interest on the platform, which in turn will significantly increase our organic traffic.
- > We continue to add customers at a very healthy rate and have revamped the GTM approach to remain focussed on priority markets with the right investments in teams, tools & processes.

**Financial Performance**

The Global Technology Solutions business saw a revenue growth of 18% to ₹ 21,033 million while EBITDA grew by 138% with margins increasing from 5% to 11%. The growth was achieved on the back of Allsec acquisition, improvement in financial performance of Monster, and impact of IndAS116. The segment contributed 19 % to the overall Group Revenue.

IT Services business delivered strong results on the back of investments to strengthen account management, deepen service lines, transform from legacy platform to Digital IT Service and expansion into the Canadian private sector. Our newly acquired Allsec-HRO business processes 1 million payrolls per month. Our Monster business saw consistent reduction in

operating losses and improvement in key operating metrics.

**Focus Areas**

- > In Digital IT Services,
  - > Expand our Digital IT services further in the Canadian private sector.
  - > We will make dedicated investments in Digital IT services, especially in cloud-based SaaS offerings, to further shape our legacy digital services portfolio.
- > In BPM services,
  - > We will continue to scale our HRO platform, CLM & Collections presence across the globe, especially

in the North American market, while strengthening our digital capabilities.

- > We plan to further improve our EBITDA margin by aggressively growing our higher margin service lines such as collections, F&A and HRO.
- > With a focused sales team we intend to strengthen our focus on Account Management and client acquisitions in North America.
- > We aim to increase our presence in the B2C segment through our new Digicare service offerings. Our long term partnership and service portfolio enhancement for Amazon, both in terms of volume and service coverage, will help to scale up operations faster.

**Our Response to Covid-19**

The sudden and unprecedented Covid-19 outbreak led to a countrywide lockdown from 25 March 2020. At Ques, we continued to execute on our promise of Winning Together with our Customers, People, and Investors even during the crisis. Realizing the demands of these novel circumstances, we resorted to a host of targeted measures to support each of our stakeholders:

**Our Customers:**

We went beyond our call of duty to ensure the safety of our employees, helping them remain productive even while working from home. We also revised our value propositions to suit the changed working conditions, enabling customers to efficiently deal with operations without any inherent challenges. This includes:

- > Digital hiring and on-boarding of permanent and temporary staff
- > Maintaining a germfree office atmosphere through our fumigation and sanitization services.
- > Initiating contactless check-in for clients, customers, and vendors.
- > Installing thermographic cameras to measure employee temperature before entering the workplace.
- > 100% virtual hiring, training and deployment of client processes for our CLM customers, through our 'Call Centre in a Box' initiative.

Further, to ensure business continuity we undertook the following steps:

- > Enabled Work from Home by migrating 45% of CLM agents on domestic voice processes to a Work at Home Agent (WAHA) model, ensuring greater productivity and efficiency during the crisis.
- > Backend processes were remotely accessible, allowing seamless functioning of payables and receivables.
- > Transitioned in several customer sites like the Golden Temple to meet the requirements of a changing business environment.
- > Added new clients across our operations

#### Our People:

Our People are our most precious asset and their safety and well-being remains a priority at Quess. The following initiatives were undertaken for our staff:

- > **Safety:** To ensure the safety of our employees, we created a Tele-medicine Hotline which allowed our employees to access free doctor consultations via our proprietary app. We also provided digitally verifiable associate and employee passes to facilitate easy commute to work. Further, we encouraged employees to be safe and work from home, whenever possible, offering online support to seamlessly complete tasks.
- > **Upskilling:** To prepare our employees for an uncertain tomorrow, we conducted 36,000+ online training sessions and webinars across businesses. We also encouraged employees to enhance their skills through online digital learning tools, accessible free of cost.
- > **Health and financial security:** To ensure health and well-being of employees, online wellness webinars were conducted and insurance policy coverage for staff was also increased. We also conducted trainings on how

to save money in a crisis and made provisions for employee loans.

#### Our Investors:

With a razor sharp focus on financial resilience and ensuring business continuity during the crisis, Quess engaged in various activities to strengthen its balance sheet and ensure sustained returns to investors:

- > **Cash Management:** Quess ensured sustainable cash balance through continued focus on collections. We strengthened our liquidity by temporarily drawing an additional credit line of ₹ ~1,000 million. Further, we launched task forces for aged collections and government dues to enable further debt reduction.
- > **Cost Management:** We undertook measures to reduce indirect cost by 20% in April 2020 from Feb 2020 levels. We also developed a sliding scale to variabilize our cost structure, ensuring continued margin delivery despite decreased revenue.
- > **Leverage:** We also safeguarded our interest coverage, to keep it at a comfortable range with no principle repayment obligations in the near-term.

#### Human Capital

The Company believes that its human resource is vital for its success and it continuously emphasizes on creating a diversified and inclusive working environment for its employees. During FY'20, the Company had won the 'Great Place to Work' certification in India. This was achieved on the back of a number of factors, such as a constant focus on improving HR practices, right from talent-acquisition to benchmarking HR practices with leading global institutions and performance linked feedback mechanisms. The Company also organizes a number of training and development initiatives to enhance the skills and competencies of its employees. It also provides multiple career development opportunities for all employees.

The Company has undertaken initiatives such as a quarterly pay-out of variable pay, credit assistance to employees with low salary and organization of various employee engagement initiatives such as Fun @ work and the annual Sangam event to boost employee morale. This has resulted in a significant drop in the Company's attrition rate. The Company has also digitized its key HR processes such as on-boarding, attendance, leave application and pay slip generation to increase accuracy and efficiency. Further, it is using new-age tools such as Cloud Computing and Artificial Intelligence (AI) to further digitize the processes. The Company is also keen to improve its diversity ratio at all levels. As on 31 March 2020, the diversity ratio stood at 16%.

#### Risk Management

Quess' operations could bring in considerable complexities and in response to that, we have established a strong Enterprise Risk Management framework to achieve our strategic objectives.

The Board and our leadership team strives to mitigate all risks diligently irrespective of its scale. In terms of Regulation 21 of SEBI (LODR), 2015, the provision to form a Risk Committee is applicable to Quess with effect from 1 April 2019 and the Board has formed the Risk Committee in order to identify, analyze, assess, monitor and manage risks throughout the company. The Charter of the Committee as highlighted in the policy is in-line with various laws and regulations applicable to the Company. The framework encompasses all risks such as Strategic Risks, Operational risks, Financial risks and Compliance risks. These risks could be either internal or external.



Strategy	These risks are strategic in nature and relating to macro-economic developments. For e.g. Business innovation and technology disruptions inherent in our industry, market offerings to customers and talent base.
Operational	These risks are associated with the day to day operations of the company thereby impacting service delivery. For e.g. Safety and security of employees and associates, system failures and cybersecurity attacks
Financial	These are risks having financial implications on the company. For e.g. Pricing and margins of product and services, working capital management
Compliance	These risks are associated with statutory laws and regulations and legal risks of the company. For e.g. non-conformance with laws and regulations, contractual compliances, litigation and disputes

Mitigation plans are effectively designed based on the Failure Mode and Effect Analysis (FMEA) to ensure residual risks are within the risk appetite of the company. The risks and the actions to mitigate these risks are presented to the Risk Committee of the Board for its review and guidance at least once in a year.

The Audit Committee of the Company also oversees the areas of financial risks and controls through various audit processes. Our audit team continuously monitors and evaluates various financial management risks like credit risk, liquidity risk and market risk. Details of these risks are reported in Notes to the Financial Statements of the Company, forming integral part of the annual report.

Quarterly Reporting and Certification by all Functional Heads ensure timely compliance of all statutory and other applicable laws. Independent processes such as internal audits, secretarial audit and quality audits help in identifying and mitigating financial and non-financial risks. Significant Risks such as economic recovery, aggressive pricing and challenges from competitors are mitigated through our focus on detailed mitigation plans and cost control measures.

The Company is making every possible effort to alleviate such risks and focus on value creation in coming years.

The Risk Management policy, as approved by the Board, is available on the website of the Company at <https://www.queesscorp.com/investor/dist/images/pdf/Governance/Risk-Management-Policy.pdf>.

### 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. The ICS of the Company lays down policies and processes to ensure that controls are adequate and operating efficiently. This system is intended to implement more transparency and accountability across various sections of the organization. These controls cover the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

The Company has an internal control system, commensurate with the size, scale and complexity of its operation. M/s Ernst and Young LLP, Internal Auditors of the Company oversees and performs our internal audit function. The scope and authority of the Internal Audit function 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 Auditors monitors and evaluates the efficacy and adequacy of internal control systems of the company, its compliance with applicable laws/ regulations, accounting procedures and policies. Based on the report of the Internal Auditors, corrective actions were undertaken and controls were thereby strengthened. Significant audit observations and action plans are presented to the Audit Committee of the Board on a quarterly basis.

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

The Audit Committee of the Company reviews the reports submitted by the Internal and Statutory Auditors. Based on these reports, the Audit Committee discusses and gives suggestions for improvements, wherever required. Based on their recommendations, management along with audit team takes corrective measures for effectively implementing the internal control framework.

Further to the above implementation of 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 were operating effectively during the year.

# Board's Report

Dear Members,

The Board of Directors ("Board") with immense pleasure present their 13<sup>th</sup> Annual Report on business and operations of Quess Corp Limited ("the Company" or "Quess"), along with Audited Financial Statements for the financial year ("FY") ended 31 March 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## 1. Financial Review:

In compliance with the provisions of the Companies Act, 2013 ("Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has prepared its Standalone and Consolidated financial statements as per Indian Accounting Standards ("Ind AS") for the FY 2019-20. The Standalone and Consolidated financial highlights of the Company's operations are as follows:

Particulars	₹ in millions, except per equity share data)			
	Consolidated		Standalone	
	FY20	FY19	FY20	FY19*
Revenue	109,914.82	85,269.93	77,402.32	56,947.89
Other Income	510.89	712.26	475.46	465.44
<b>Total Income</b>	<b>110,425.71</b>	<b>85,982.19</b>	<b>77,877.78</b>	<b>57,413.33</b>
Cost of material and stores and spare parts consumed	2,670.55	2,624.05	1,309.54	1,397.40
Employee expenses	90,634.38	67,132.12	67,914.63	47,664.93
Other expenses	10,031.87	10,867.98	4,842.87	4,715.66
Finance Costs	1,668.01	1,143.99	967.99	636.66
Depreciation and Amortization Expense	2,486.07	1,231.50	656.18	454.02
<b>Total Expenses</b>	<b>107,490.88</b>	<b>82,999.64</b>	<b>75,691.21</b>	<b>54,868.67</b>
Share of Profits/(loss) in Associates	(138.33)	(88.09)	0.00	0.00
Profit/loss before exceptional items and tax	2,796.50	2,894.46	2,186.57	2,544.66
Exceptional items	6,640.52	-	5,261.18	-
<b>Profit/(Loss) Before Tax</b>	<b>(3,844.02)</b>	<b>2,894.46</b>	<b>(3,074.61)</b>	<b>2,544.66</b>
Tax Expense	(474.76)	(328.97)	(294.46)	(204.33)
<b>Profit/(Loss) for the year</b>	<b>(4,318.78)</b>	<b>2,565.49</b>	<b>(3,369.07)</b>	<b>2,340.33</b>
<b>Total Comprehensive income for the year</b>	<b>(4,221.34)</b>	<b>2,628.95</b>	<b>(3,420.29)</b>	<b>2,324.95</b>
<b>Basic EPS (in ₹)</b>	<b>(30.28)</b>	<b>17.61</b>	<b>(22.94)</b>	<b>16.05</b>
<b>Diluted EPS (in ₹)</b>	<b>(30.22)</b>	<b>17.51</b>	<b>(22.89)</b>	<b>15.96</b>

\*has been restated

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. 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").

## 3. COVID-19:

Novel Coronavirus ("COVID-19") outbreak was first reported towards the end of 2019 and has been declared a pandemic by

the World Health Organization ("WHO"). India was quick to close its international borders and enforce an immediate lockdown, which WHO praised as "tough and timely". Still, the population of 1.3 billion spread across diverse states, health inequalities, widening economic and social disparities, and diverse cultural values bring distinctive challenges to our Country.

Quess has gone above and beyond the statutory obligation, including enabling free emergency medical hotline for all employees, donating free meals etc. We took adequate measures for employees' safety, health and well-being in the wake of the



virus outbreak. The Company abided by all guidelines, as issued by MCA vide circular dated 19 March 2020, for compulsory 'Work from Home' for all office staff and complied with the advisory issued by respective local and State Government authorities, from time to time. As of 22 March 2020, 'Work from Home' was announced and enabled for all Quess employees to work remotely and securely. In lieu of the same, the Company has also filed 'Company Affirmation of Readiness' towards COVID-19 dated 23 March 2020 through web services provided by MCA.

The Human Resource ("HR") department of the Company recommended procedures for employees to ensure adherence to 'Work from Home'. It laid down proposals for developing an effective plan, building work relationships, prioritizing communication, establishing accountability and flexibility at the same time. The HR has, from time to time, communicated to all employees about various government advisories and protective measures, as and when issued. The Company has also arranged various sessions on Health and Wellness including arrangements for Telemedicine facilities.

In the first week of April 2020, the Company's Chairman and Managing Director, Mr. Ajit Isaac and Executive Director and Group CEO, Mr. K. Suraj Moraje interacted with all employees through a virtual meeting to boost the confidence of employees in facing different challenges. They apprised the employees about selfless efforts made by the Company in association with the 'Careworks Foundation', for helping various frontline workers, staffs and underprivileged people at different levels. The Directors expressed their appreciation and gratitude towards employees and management for keeping their businesses running under extremely challenging circumstances.

#### 4. Dividend:

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the parameters covered under Company's dividend distribution policy, has decided that it would be prudent not to recommend any dividend for the year under review.

#### 5. Dividend Distribution Policy:

Pursuant to Regulation 43A of the Listing Regulations, the Board of Directors of the Company have formulated a Dividend Distribution Policy. The dividend, if any, to be declared in 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. This Policy is uploaded on the Company's official website at [https://www.quessecorp.com/investor/dist/images/pdf/Policies/Dividend\\_Distribution\\_Policy.pdf](https://www.quessecorp.com/investor/dist/images/pdf/Policies/Dividend_Distribution_Policy.pdf).

#### 6. 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 has not declared any dividend till date.

#### 7. Transfer to Reserves:

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

#### 8. Subsidiary Companies:

As on 31 March 2020, the Company has a total of 38 (Indian and foreign) subsidiaries and associate companies, comprising of 16 step down subsidiaries, 13 Wholly-Owned Subsidiaries, 4 Subsidiary Companies, 4 Associate Companies and 1 Joint Venture Company. Out of the 15 Indian Subsidiaries, Connect Business Solutions Limited is a Material Subsidiary 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.

During the year, MFX Chile SpA was dissolved on 9 December 2019.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries, associates and joint ventures in Form No. 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.quessecorp.com/investor/annual\\_report.php](https://www.quessecorp.com/investor/annual_report.php).

#### 9. Significant Developments in FY 2019-20:

##### (a) Amalgamations/ Demerger under Section 230 to 232 read with sections 52, 55 and 66 of the Act completed during the year:

Pursuant to the order dated 28 June 2019 of the Hon'ble National Company Law Tribunal ("NCLT"), Bengaluru Bench, sanctioning the Composite Scheme of Arrangement and Amalgamation ("Scheme") amongst Thomas Cook (India) Limited ("TCIL") and Travel Corporation (India) Limited and TC Travel Services Limited and TC Forex Services Limited and SOTC Travel Management Private Limited and Quess Corp Limited and their respective Shareholders and Creditors, the Company obtained the approval of Shareholders and Creditors on 20 August 2019. The Scheme was sanctioned by the Hon'ble NCLT, Mumbai Bench and Hon'ble NCLT, Bengaluru Bench vide their orders dated 10 October 2019 and 7 November 2019 respectively.

### Highlights of the Scheme:

- Demerger of the Human Resource Services Business of TCIL relating to staffing/ human resource services for conducting tours and other businesses, talent development and training, resource management, facilities management services, selection services, food services and engineering services from TCIL into Quess.
- On 9 December 2019, the Board of Directors approved the allotment of 7,14,56,240 equity shares of the face value of ₹10 each, fully paid-up, to the eligible equity shareholders of TCIL as on 6 December 2019 (**"Record Date"**) as per the share entitlement ratio, i.e., 1889 equity shares of Quess of ₹ 10 each fully paid up for every 10,000 equity shares of Re. 1 each held in TCIL, as approved the Hon'ble NCLT of Mumbai and Bengaluru Bench, and also approved the cancellation and reduction of 7,13,23,496 equity shares held by TCIL without any further act or deed pursuant to Clause 44.3 of the Scheme.
- Pursuant to Clause 32.11 of the Scheme, the Board of Directors approved the consolidation of all fractional entitlements and allotted 32,281 equity shares to Catalyst Trusteeship Limited appointed as Corporate Trustee, who sold the shares in the open market on behalf of the equity shareholders entitled to fractional entitlements and paid to Quess, the net sale proceeds thereof, whereupon Quess distributed such net sale proceeds (after deduction of applicable taxes, if any), to the equity shareholders in proportion to their respective fractional entitlements.
- Pursuant to Clause 32.7 of the Scheme, Fairbridge Capital (Mauritius) Limited, promoter of TCIL, became the promoter of Quess upon issuance and allotment of equity shares.
- The Company received listing approvals on 17 and 18 December 2019 and trading approvals on 24 and 26 December 2019 respectively from the Stock Exchange(s).

### (b) Merger under Section 233 of the Act completed during the year:

The Company at its Extra-Ordinary General Meeting of Shareholders and Meeting of Creditors held on 10 October 2019, obtained the requisite approval under Section 233 of the Companies Act, 2013 and received an order dated 15 November 2019 from the Regional Director, South-East Region, Hyderabad sanctioning the Scheme of Amalgamation (**"Scheme"**) of Aravon Services Private Limited, CentreQ Business Services Private Limited, Coachieve Solutions Private Limited, Master Staffing Solutions Private Limited (**"collectively referred to as Wholly-Owned Subsidiaries"**) with Quess Corp Limited. The Scheme came into effect from its appointed date i.e. 1 April 2019.

### (c) Merger under Section 233 of the Act 'In-process':

The Company at its Board Meeting held on 18 February 2020, has obtained the in-principle approval from the

Board for the proposed merger of Greenpiece Landscapes India Private Limited, Golden Star Facilities and Services Private Limited, MFX Infotech Private Limited, Trimax Smart Infraprojects Private Limited (**"collectively referred to as Wholly-Owned Subsidiaries"**) with Quess Corp Limited. The Company is in the process to consider and approve the draft Scheme of Amalgamation.

### (d) Acquisitions/ Investments/ Agreements during the year:

- During the year, Conneqt Business Solutions Limited (**"Conneqt" or "acquirer"**), subsidiary of the Company acquired 73.39% of the total share capital of Allsec Technologies Limited (**"Allsec"**) in various modes, including an open offer. Allsec is a Company incorporated under the provisions of Companies Act, 1956 with CIN: L72300TN1998PLC041033 and is listed on BSE Limited (with scrip code **"532633"**) and National Stock Exchange of India Limited (with symbol **"ALLSEC"**) with listed capital of ₹ 152,383,260 comprising of 15,238,326 Equity Shares of ₹ 10 each. The Company is primarily engaged in the business of Business Process Outsourcing, HRO Services, Transaction Processing & IT enabled services. Conneqt acting in concert with Quess Corp Limited (**"PAC"**) entered into a Share Purchase Agreement with the continuing erstwhile promoters dated 17 April 2019 (**"Promoter SPA"**). Under the terms of the Promoter SPA, the acquirer acquired 53,87,155 equity shares on 10 July 2019 from the continuing erstwhile promoters of Allsec.

Further, the acquirer entered in a separate Share Purchase Agreement dated 17 April 2019 with First Carlyle Ventures Mauritius (**"Carlyle"**) (the **"Carlyle SPA"**). Under the terms of the Carlyle SPA, the acquirers acquired 39,61,940 equity shares from Carlyle on 29 May 2019. Hence under the terms of both the Promoter SPA and Carlyle SPA, acquirer acquired an aggregate of 93,49,095 equity shares representing 61.35% of the total paid-up capital of the Company.

Pursuant to above and in accordance with Regulation 3(1), 4 and other applicable provisions under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, an Open Offer was triggered and the acquirer acquired 1,833,817 equity shares of the Company from the general public representing 12.04% of the total shareholding of Allsec. The shares acquired through the open offer along with the shares acquired as a part of the Promoter SPA and Carlyle SPA, has resulted in the acquirer acquiring a total of 11,182,912 equity shares representing 73.39% of the paid up equity capital of Allsec.

- On 17 April 2019, the Board considered and approved an additional investment of: (a) ₹ 193.10 Crore by way of subscription to equity shares issued and allotted by Conneqt (the **"Equity Subscription"**); and (b) not exceeding ₹ 210 Crore by way of subscription to

compulsorily convertible debentures (“CCDs”) issued and allotted by Conneqt (together with the Equity Subscription). Pursuant to the Equity Subscription, the total shareholding of Qess in Conneqt increased from 51% to 70%. The foregoing shareholding of Qess in Conneqt may further increase on the conversion of the CCDs.

- > An additional investment of 10% in the equity shares of Greenpiece Landscapes India Private Limited (“Greenpiece”), thereby making Greenpiece as the Wholly-Owned Subsidiary of the Company on 24 April 2019.
- > On 12 July 2019, the Board of Directors of the Company approved the execution of Share Subscription Agreement and Investment Agreement between Amazon.com NV Investment Holdings LLC (“Amazon”) and Qdigi Services Limited (“Qdigi”), a Wholly-Owned Subsidiary of the Company in relation to the utilization of proceeds of the investment towards the business of Qdigi.
- > The Board of Directors at its meeting held on 10 September 2019 approved the slump sale of HR Compliance Business of Coachieve Solutions Private Limited, a Wholly-Owned Subsidiary of the Company to Allsec Technologies Limited, a step-down subsidiary, on terms and conditions contained in the Business Transfer Agreement.
- > During the year, Qess has signed various agreements for the subscription of Compulsorily Convertible Debentures (“CCDs”) with its Subsidiary Companies for the conversion of their outstanding loan and advances into CCDs. These Debentures were allotted to the Company in the respective Board meeting of the Subsidiary Companies by way of a private placement.
- > During the year, the Company acquired balance 49% stake in Trimax Smart Infraprojects Private Limited (“Trimax”) and executed the Settlement cum Share Purchase Agreement dated 16 October 2019, by which Trimax became a Wholly-Owned Subsidiary of the Company.
- > The Board at its meeting held on 30 October 2019 amended the Fully Convertible Debentures Subscription Agreement dated 24 May 2019 and the Shareholders Agreement dated 20 November 2017 entered between Conneqt Business Solutions Limited, Qess Corp Limited and Tata Sons Private Limited.
- > The Company made an additional investment of 18.71% in Vedang Cellular Services Private Limited (“Vedang”) by the execution of Share Purchase Agreement on 10 December 2019. Presently, the Company holds 88.71% in Vedang.
- > The Company made an acquisition of balance 30% stake in Golden Star Facilities and Services Private Limited (“Golden Star”) on 5 November 2019.

Subsequently, Golden Star became a Wholly-Owned Subsidiary of the Company.

## 10. 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 2020 was ₹ 1,475.11 million as compared to ₹ 1,460.85 million in the previous year.

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

### (a) Qess Corp Employees’ 2009 Amended Stock Option Scheme-

The Nomination and Remuneration Committee at its meeting held on 17 April 2019, allotted 19,095 equity shares of ₹ 10 each to the employees of the Company who exercised their options under Qess Corp Employees’ 2009 Amended Stock Option Scheme.

The Nomination and Remuneration Committee on 30 October 2019, had further allotted 5,19,585 equity shares of ₹ 10 each to the employees of the Company who exercised their options under Qess Corp Employees’ 2009 Amended Stock Option Scheme.

### (b) Preferential Issue -

The Preferential Issue Committee of the Board at its meeting held on 26 September 2019, allotted 7,54,437 equity shares by way of a private placement on preferential allotment basis to Amazon.com NV Investment Holdings LLC, a Portfolio Investor, of the face value of ₹ 10/- (Rupees Ten only) each at a price of ₹ 676/- (Rupees Six Hundred Seventy Six Only) each, including a premium of ₹ 666/- (Rupees Six Hundred Sixty Six Only) per equity share aggregating to an amount of ₹ 50,99,99,412/- (Rupees Fifty Crore Ninety Nine Lakhs Ninety Nine Thousand Four Hundred Twelve Only). Amazon has received approval from Competition Commission of India for the aforementioned investment under Section 31(1) of the Competition Act, 2002.

### (c) Cancellation and Reduction of shares pursuant to Scheme of Arrangement under Section 230 to 232 of the Act -

The Board at its meeting held on 9 December 2019, cancelled and reduced the existing 7,13,23,496 equity shares held by Thomas Cook (India) Limited pursuant to Clause 44.3 of the Scheme of Arrangement.

### (d) Allotment pursuant to Scheme of Arrangement under section 230 to 232 of the Act -

The Company allotted 7,14,56,240 equity shares of ₹ 10 each to the eligible shareholders of Thomas Cook (India) Limited as on 6 December 2019 (“Record Date”) as per the share entitlement ratio i.e. 1889 equity shares of Qess of ₹ 10/- each fully paid up for every 10,000 equity shares held in Thomas Cook (India) Limited of ₹ 1/- each fully paid up.

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.

## 11. Debentures:

As on 31 March 2020, the Company has 750 Secured Redeemable Non-Convertible Debentures ("NCDs") of ₹ 10,00,000 each aggregating to ₹ 75,00,00,000 (Rupees Seventy Five Crores Only). The NCDs are listed on BSE Limited. Interest on the said debentures was paid on time as per the relevant provisions of the Act, and Listing Regulations. The Company has complied with all the applicable provisions of the Listing Regulations in respect of the said listed Debentures.

During the year, the Company redeemed 750 Secured Redeemable Non-Convertible Debentures of ₹ 10,00,000 each aggregating to ₹ 75,00,00,000 of SBI Credit Risk Fund, Debenture Holder on 23 January 2020.

Further, the Company modified the coupon rate from 8.25% (existing) to 8.50% (revised) effective 24 January 2020 after obtaining necessary approval from BSE Limited where the debentures are listed.

## 12. 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 and Non-Convertible Debentures. As on 30 March 2020, ICRA has re-affirmed the credit ratings. Hence, there is no change in the credit rating during the year under review.

## 13. Deposits:

The Company has not accepted deposits from the public/members under Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

## 14. Directors and Key Managerial Personnel (KMPs):

### (a) Director retiring by rotation –

In accordance with the provisions of Section 152 of the Act and Articles of Association of the Company, Mr. Chandran Ratnaswami (DIN: 00109215), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

### (b) Appointment of Directors and KMPs –

On the basis of the recommendation of Nomination and Remuneration Committee ("NRC"), the Board of Directors at its Meeting held on 30 October 2019 appointed Mr. K. Suraj Moraje ("Mr. Suraj") (DIN: 08594844) as an Additional Director designated as the Executive Director

and Group CEO (Designate) of the Company pursuant to Section 161(1) of the Act, with effect from 4 November 2019, for a period of five years, subject to the approval of the shareholders at the ensuing AGM.

The Board, at the same meeting, approved his appointment as Group Chief Executive Officer ("CEO") of the Company with effect from 1 April 2020. In terms of Section 161(1) of the Act, the Board proposes the appointment of Mr. Suraj as Director of the Company, who holds office as an Additional Director until the conclusion of the ensuing Annual General Meeting.

The Board of Directors appointed Mr. Gopalakrishnan Soundarajan (DIN: 05242795), as an Additional Director of the Company with effect from 1 April 2020, on the recommendation of the NRC. As per the provisions of Section 161(1) of the Act, he holds the office of an Additional Director only up to the date of this Annual General Meeting of the Company and is eligible for appointment as Director. The Board has designated him as a Director in the category of Non-Executive and Non-Independent Director, who will be liable to retire by rotation.

The shareholders of the Company at the Extra-Ordinary General Meeting held on 23 December 2015 had approved the appointment of all the Non-Executive Independent Directors of the Company, i.e., Ms. Revathy Ashok (DIN: 00057539), Mr. Pratip Chaudhuri (DIN: 00915201), Mr. Pravir Kumar Vohra (DIN: 00082545) and Mr. Sanjay Anandaram (DIN: 00579785) for a period of 5 (five) consecutive years up to the conclusion of the Annual General Meeting ("AGM") of the Company scheduled to be held in the year 2020. Therefore, their term is expiring at the ensuing AGM.

As per the provision of Section 149(10) of the Companies Act, 2013 and on the basis of the recommendation of NRC and in view of their knowledge, expertise, age under the policy, the Board of Directors at their meeting held on 31 August 2020 proposed the reappointment of Ms. Revathy Ashok (DIN: 00057539) and Mr. Sanjay Anandaram (DIN: 00579785) as Non-Executive Independent Directors at the ensuing AGM by way of passing of special resolution for a period of second term/tenure of 5 (five) consecutive years.

Further, on the basis of the recommendation of NRC, the Board of Directors appointed Mr. Gaurav Mathur (DIN: 00016492) and Mr. Kalpathi Ratna Girish (DIN: 07178890) as Non-Executive Independent Directors of the Company w.e.f 31 August 2020 to hold office for a term of 5 (five) consecutive years, subject to the approval of the shareholders at the ensuing AGM. Their profile is attached to the Notice of the ensuing AGM. They would not be liable to retire by rotation.

On the basis of the recommendation of NRC, the Board of Directors at their meeting held on 17 April 2019 appointed Mr. Kundan K Lal (M. No.: F8393) as the Company Secretary and Compliance Officer of the Company as per the provisions of Section 203 of the Act read with Regulation 6 of the

Listing Regulations and on 27 June 2019, appointed Mr. Subramanian Ramakrishnan as the Chief Financial Officer of the Company as per provisions of Section 203 of the Act.

**(c) Resignation of Directors –**

In terms of Section 168 of the Act:

1. Mr. Madhavan Karunakaran Menon (DIN: 00008542) resigned from the office of Director with effect from 29 October 2019.
2. Mr. Subrata Nag (DIN: 02234000) resigned from the post of Executive Director and Group CEO of the Company with effect from the closing of 31 March 2020.

**(d) Declaration of Independence –**

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted their declarations that each one of them meets the criteria of independence as provided in 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/ Committee of the Company.

**(e) 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 official website at – <https://www.quessecorp.com/investor/dist/images/pdf/Governance/Policy-on-Board-Diversity.pdf>

**(f) Annual Board Evaluation and Familiarisation Programme for Board members –**

The Board of Directors and the Nomination and Remuneration Committee had carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Act and Listing Regulations on 22 May 2019. The performance as a whole was evaluated by the Board after seeking input from all the Directors on the basis of criteria such as the Board composition and structure, 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 on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by SEBI on 5 January 2017. 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 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.

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.quessecorp.com/investor/dist/images/pdf/Policies/Directors\\_Familiarization\\_Programme.pdf](https://www.quessecorp.com/investor/dist/images/pdf/Policies/Directors_Familiarization_Programme.pdf)

**(g) 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 Nomination and Remuneration Committee has approved the policy for selection and appointment of Directors. The aforesaid policy provides a framework to ensure that suitable and efficient succession plans are in place for appointment of Directors on the Board so as to maintain an appropriate balance of skills and experience within the Board. The policy also provides for selection criteria for 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. The policy on remuneration can be accessed at weblink - <https://www.quessecorp.com/investor/dist/images/pdf/Policies/Nomination-and-Remuneration-Policy.pdf>.

**15. Directors' Responsibility Statement:**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the accounts for the year ended 31 March 2020, 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 2020 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.

## 16. Number of Meetings of the Board:

Eleven (11) meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

## 17. Internal Financial Control Systems and Their Adequacy:

The Company has established a strong framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. 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 FY 2019-20 and their adequacy are included in the Management Discussion and Analysis, which forms part of this Report.

## 18. Audit and Auditors:

### (a) Statutory Auditors -

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder Messers Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366 W/W 100018) were appointed as Statutory Auditors of the Company at the 11<sup>th</sup> Annual General Meeting held on 26 July 2018 to hold office from the conclusion of the 11<sup>th</sup> Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General

Meeting, subject to ratification of their appointment at every Annual General Meeting. However, as per Companies (Amendment) Act, 2017 effective from 7 May 2018, the provisions relating to the ratification of the appointment of Statutory Auditors at every AGM is 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 FY 2019-20 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.

### (b) Secretarial Auditors and Secretarial Audit Report -

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board has appointed, Mr. S.N. Mishra proprietor of M/s SNM & Associates, Practicing Company Secretary as its Secretarial Auditors to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for FY 2019-20 is annexed as **Annexure - 'I'** and forms an integral part of this report. The Report does not contain any qualification, reservation, disclaimer or adverse remark for the year under review.

Pursuant to Regulation 24A of the Listing Regulations, a Secretarial Compliance Report for the financial year ended 31 March 2020 is annexed as **Annexure 'II'**.

### (c) Details of Frauds reported by the Auditors -

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

### (d) Internal Auditors -

The Board had appointed M/s Ernst & Young as the Internal Auditors of the Company 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 FY 2020-21.

### (e) 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.



## 19. Transactions with Related Parties:

All Related Party Transactions entered during the FY 2019-20 were on an arm's length basis and in the ordinary course of business. There were no materially 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. Further, disclosures are made to the Audit Committee on a quarterly basis. Pursuant to Regulation 23(9) of the Listing Regulations, your 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 – 'III'** 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 official website at – <https://www.quessecorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-RPT.pdf>.

## 20. 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: ₹ 35.63 million
- > Earnings in foreign currency: ₹ 90.60 million

## 21. 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 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 at – <https://www.quessecorp.com/investor/dist/images/pdf/Policies/Risk-Management-Policy.pdf>

## 22. 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 2019-20 is ₹ 40 million. The CSR spending is guided by the vision of creating long-term benefit to the 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 official website at – <https://www.quessecorp.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 – 'IV'** to the Board's Report.

## 23. 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.

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

The Company has zero-tolerance for sexual harassment at the workplace 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 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. The Company has constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to address complaints of sexual harassment and recommend appropriate action. Details of the same, including the details of the complaints received are provided in the Report on Corporate Governance, which forms part of this Report.

## 25. 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 official website of the Company – <https://www.quessecorp.com/investor/dist/images/pdf/Governance/Whistle-BlowerPolicy.pdf>

## 26. 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 part of the Annual Report.

## 27. 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.

## 28. Business Responsibility Report:

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

## 29. Employee Stock Option Plan ("ESOP")/ Restricted Stock Unit:

The Company, at present has following ESOP plans –

- > Quess Corp Employees' Amended Stock Option Scheme, 2009;
- > Quess Corp Limited - Employees' Stock Option Scheme, 2015; and
- > Quess Stock Ownership Plan-2020

The Company had implemented 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. The Board at its meeting held on 18 February 2020 amended ESOP 2015, wherein total no.

of options to be granted reduced under ESOP 2015 from 19,00,000 options to 1,48,440 options which will entitle grantees to acquire, not exceeding 148,440 equity shares under the Scheme and will continue to be administered and implemented by this Scheme. Balance 17,51,560 employee stock options (equivalent to 1.19% of total Paid up capital) were redeployed from ESOP 2015 to Quess Stock Ownership Plan-2020 ("**QSOP 2020**" or "**Plan**").

**QSOP -2020** - The new Stock Ownership Plan -2020 which was approved by the shareholders by way of postal ballot on 31 March 2020, will vest only on the basis of the performance of the Company as well as individual Business Units. The performance parameters will include achievement of EBITDA, ROE, OCF and digital-led revenue. This will also include non-financial parameters such as business leadership (e.g., diversity, attrition, and individual leadership qualities). The Nomination and Remuneration Committee will set specific criteria for aforesaid performance parameters on a year-to-year basis. Accordingly, 36,50,000 (Thirty Six Lakhs and Fifty Thousand) employee Restricted Stock Units (RSUs) (including re-deployment of 17,51,560 options from ESOP 2015) under this Plan was allocated. The total RSUs under the QSOP 2020 will not be exceeding 2.47% of the paid up share capital of the Company. The existing un-granted/ lapsed options equivalent was redeployed from ESOP 2015 under QSOP 2020 and therefore, there would be a maximum additional dilution of 1.28% of the paid-up share capital of the Company under the new plan.

The QSOP 2020 has also been extended to the employees of the subsidiary company(ies) with the approval of the shareholders.

Grant of Options under Quess Stock Ownership Plan-2020 (QSOP 2020):

- > On 11 May 2020, approved 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.
- > 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.

The detailed disclosures as required by the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits) Regulations, 2014, have been uploaded on the official website of the Company at: [https://www.quessecorp.com/investor/annual\\_report.php](https://www.quessecorp.com/investor/annual_report.php). No employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

### 30. Extract of Annual Return:

Pursuant to Section 92 read with Section 134(3)(a) of the Act, and Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of annual return in the prescribed format is appended as **Annexure – ‘VI’** to the Board’s Report.

### 31. Particulars of Loans, Guarantees or Investments:

Details relating to 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.

### 32. 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 financial year 2019-20 forms part of the Corporate Governance Report.

### 33. 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 – ‘VII’** 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 Annual General Meeting during the business hours on working days.

### 34. Awards and Recognitions:

During the year under review, the Company was conferred with various awards and recognitions, the details of which are given in a separate section of the Annual Report.

### 35. Acknowledgements:

The Directors wish to thank Quess’ employees, vendors, customers, investors, and other partners for their sincere support.

The Board expresses its grief for the loss of life due to the COVID-19 pandemic and has immense respect for every person who has risked their life and safety to fight this crisis.

The Directors also take this opportunity to thank all Stakeholders, Government, Non-Government Agencies, Regulators and Stock Exchange(s) for their continued support.

### 36. 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 Board of  
Director of Quess Corp Limited**

**Sd/-  
Ajit Isaac**

**Chairman & Managing Director  
DIN: 00087168**

**Date: 31 August 2020  
Place: Bengaluru**

# Annexure -I

## Form MR-3 Secretarial Audit Report

for the financial year ended on 31 March 2020

[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**  
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"). 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 2020 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 "Quess Corp Limited" for the financial year ended on 31 March 2020 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (vi) Labour Laws as applicable and the rules and regulations made thereunder;
- (vii) 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 the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the amendments, if any.

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 Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Board met 11 (Eleven) times during the year on 17.04.2019, 22.05.2019, 27.06.2019, 12.07.2019, 24.07.2019, 10.09.2019, 27.09.2019, 30.10.2019, 09.12.2019, 29.01.2019 and 18.02.2020. 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. The requisite quorum was present in all the Board Meetings by participation of Directors in the meetings in person or through audio dial or 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.

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 2019 was held on 24 July 2019 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.

Extra ordinary meetings of shareholders were held on 08.08.2019 and 10.10.2019 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

During the financial year, the company called for meeting of its secured and unsecured creditors on 10.10.2019 after giving due notice to the creditors and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

NCLT convened meeting of shareholders, secured and unsecured creditors of the Company was held on 20.08.2019 in accordance with the orders of the National Company Law Tribunal, Bengaluru Bench after giving due notice and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose

Postal Ballot conducted by the Company during the period under review was in accordance with Section 110 of the Act read with rule 22 of the Companies (Management and Administration) Rules, 2014.

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 22 May 2019, at which all Independent Directors were present.
5. The Company 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](mailto: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 2018-19 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 2019 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. allotments and investments made Overseas Corporate Bodies during the period under review.
  - > The Company is in compliance with Regulation 14 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations with respect to intimation of downstream investments made 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. Rights of Persons with Disabilities Act, 2016
- o. 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.

Sd/-

S.N.Mishra

Practicing Company Secretary

UDIN: F006143B000289965

C. P. No. : 4684

FCS No. : 6143

Place: Bengaluru

Date: 27 May 2020

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.



## Annexure 'A'

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

My 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, 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.

Place: Bengaluru  
Date: 27 May 2020

Sd/-  
S.N.Mishra  
Practicing Company Secretary  
UDIN: F006143B000289965  
C. P. No. : 4684  
FCS No. : 6143

# Annexure -II

## Secretarial Compliance Report of Quess Corp Limited for the year ended on 31 March 2020

I, 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 2020 ("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:-

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

Practicing Company Secretary

UDIN: F006143B000289965

C. P. No. : 4684

FCS No. : 6143

Place: Bengaluru

Date: 27 May 2020

# Annexure -III

## 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 2020, 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 2020 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 2020 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 Director of Qness Corp Limited

Date: 27 May 2020  
Place: Bengaluru

Sd/-  
Ajit Isaac  
Chairman & Managing Director  
DIN: 00087168

# Annexure -IV

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2020

Pursuant to Section 135 of the Companies Act 2013 ("**Act**") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time), the Company has established the Corporate Social Responsibility Committee ("**CSR Committee**").

Our CSR initiatives are aligned to our Careworks Foundation ("**CWF**"), a non-profit initiative established in January 2014 to act as a catalyst of change and create 'Better Lives'. Your Company actively contributes to the community and create 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.

The two focus areas include Health and Education targeting children through various approaches.

The Board adopted the CSR Policy, formulated and recommended by the CSR Committee, indicating the activities to be undertaken by your Company as per the Act. It reviews and recommends the amount of expenditure to be incurred on the activities to be undertaken by your Company in addition to monitoring the CSR Policy of your Company from time to time. Details of the Policy of your Company are available at <https://www.quesscorp.com/investor/dist/images/pdf/Policies/CSR-Policy.pdf>

During the FY 2019-20, the Company has pursued the following activities under CSR:

Sr. No.	Name of the Organisation	Activities
1.	Careworks Foundation	<p>School Enhancement Program</p> <p>a. <b>School Environment:</b> Sanitation (renovation and maintenance of school toilets) and renovation of the school buildings</p> <p>b. <b>Classroom environment:</b> Setting up libraries, computer labs and science labs to promote learning at school</p> <p>c. <b>Health Intervention:</b> General health checkup, eye screening, dental screening &amp; treatment and School Mental Health Programs</p> <p>d. <b>Academic support</b>, including life skills education, scholarships and education kits</p> <p>e. <b>Teacher mentoring program</b> including computer applications and spoken English (Teacher Learning Programs).</p>

The disclosure of the contents of the CSR policy pursuant to Section 134(3)(o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 (as amended from time to time), are as follows:

Sr. No.	Particulars	Details
1	A brief outline of the Company's CSR Policy, including an overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	Please refer to the overview of programmes undertaken by the Company, as mentioned above. The CSR policy is available on the weblink mentioned above.
2	The Composition of the CSR Committee:	<p>a. Ms. Revathy Ashok, Chairperson</p> <p>b. Mr. Ajit Isaac, Member</p> <p>c. Mr. Pravir Kumar Vohra, Member</p>
3	Average Net Profit of the Company as per Section 198 of the Act for the last three Financial Year:	₹ 1,928.08 million
4	CSR expenditure (2% of Average Net Profit as indicated in Point No. 3):	₹ 38.56 million
5	Details of CSR sanctioned & spent during the financial year:	
	a. <b>Total amount spent for the financial year</b>	₹ 40.00 million
	b. <b>Amount unspent, if any</b>	Not Applicable
	c. <b>Manner in which the amount spent during the financial year is detailed below</b>	Details are given below in the table below

## CWF FOUNDATION SPEND DETAILS FOR FY 2019-20

							(₹ In millions)
1	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or programs	Amount Outlay	Amount spent on the Projects or Programs Sub Heads:	Cumulative Expenditure	Amount Spent Direct or through
			(1) Local area or others	(Budget) Project or Program wise	(1) Direct Expenditure on Projects or Programs	Upto the reporting period i.e.	Implementing Agency
			2) Specify the State and District where projects or programs were undertaken.		(2) Overheads	FY 2019-2020	
1	School Environment (School Renovation)	Education	Karnataka-Bengaluru, Shivamogga District,	9.4	9.4	9.4	Careworks Foundation
2	Classroom Environment	Education	Karnataka-Bengaluru, Shivamogga District	3.5	3.5	3.5	Careworks Foundation
3	Health Initiative	Health	Karnataka-Bengaluru	1.4	1.4	1.4	Careworks Foundation
4	Academic Support program	Education	Karnataka-Bengaluru	4.6	4.6	4.6	Careworks Foundation
5	Teacher Mentoring Program	Education	Karnataka-Bengaluru	0.5	0.5	0.5	Careworks Foundation
6	COVID-19 relief Program	Health	Karnataka-Bengaluru	1.8	1.8	1.8	Careworks Foundation
7	Health and Education projects	Health and Education project	Karnataka-Bengaluru	18.8	18.8	18.8	Balance paid towards corpus to Careworks Foundation and the projects would be executed in FY 2020-21*
<b>Total</b>				<b>40.00</b>		<b>40.00</b>	

Spends were directed towards projects that are scalable, sustainable and which have the potential to be replicated across locations, in the larger interests of the community. As detailed in the above table, during the FY20, the Company had transferred ₹ 40 million to CWF for undertaking the CSR projects. Further, projects worth ₹ 21.2 million were identified and reasonable and judicious spending were made as per project requirements. The balance amount will be spent by the CWF Foundation during the financial year 2020-21.

\*The General Circular No. 21/2014 of MCA dated 18 June 2014 clarifies that Contribution to Corpus of a Trust/Society/Section 8 companies etc. would qualify as CSR expenditure. 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 corpus amount in FY21.

6. In case the Company has failed to spend 2% of the Average Net Profit of the last three financial years or any part thereof, reasons for not spending the amount: Not Applicable

## 7. Responsibility Statement

It is stated that on behalf of the CSR Committee of the Board of Directors, the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company for the financial year 2019-20.

For and on behalf of the Board of Directors of Qess Corp limited

Sd/-  
Ajit Isaac  
Chairman & Managing Director

Sd/-  
Revathy Ashok  
Chairperson, CSR Committee

Date: 27 May 2020  
Place: Bengaluru

# Annexure -V

## Business Responsibility Report

for the financial year ended on 31 March 2020

(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	<a href="http://www.quessecorp.com">www.quessecorp.com</a>
5	E-mail id	<a href="mailto:investor@quessecorp.com">investor@quessecorp.com</a>
6	Financial Year reported	1 April 2019 to 31 March 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	The NIC Code of the following services provided by the Company is 7830: i. Workforce Management ii. Operating Asset Management iii. Global Technology Solutions
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	i. Workforce Management ii. Operating Asset Management iii. Global Technology Solutions
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	<a href="http://quessecorp.com/Gmap/offices.php">http://quessecorp.com/Gmap/offices.php</a>
	ii. Number of National Locations	<a href="http://quessecorp.com/Gmap/offices.php">http://quessecorp.com/Gmap/offices.php</a>

### Section B: Financial Details of the Company

1	Paid-up Capital	₹ 1,475.11 million
2	Total Turnover	₹ 109,914.82 million (Consolidated)
3	Total loss after taxes	₹ 4,318.78 million (Consolidated)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Refer Corporate Social Responsibility Report annexed to this Annual Report
5	List of activities in which expenditure in 4 above has been incurred:-	Refer Corporate Social Responsibility Report annexed to this Annual Report

### Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
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, 13 Subsidiaries
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%]	No



## 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	Chairman & Managing Director
	b) Details of the BR head	
	1. DIN Number	08594844
	2. Name	Mr. K. Suraj Moraje
	3. Designation	Executive Director & Group CEO
	4. Telephone number	080-61056000
	5. e-mail id	investor@quesscorp.com

## 1. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

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 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of employees	Stakeholders engagement	Human rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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
3	Does the policy conform to any national/ international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The spirit and intent of Quess Code of Conduct and other Codes/Policies are prepared in compliance with applicable laws/rules/guidelines. In addition, they reflect the vision and mission of the Company of providing world-class customer experience while continuously working towards creating better lives.									

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of employees	Stakeholders engagement	Human rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
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
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
6	Indicate the link for the policy to be viewed online?	<a href="http://www.quessecorp.com">www.quessecorp.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
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
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

### 3. Governance related to BR

<ul style="list-style-type: none"> <li>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</li> </ul>	Annually.
<ul style="list-style-type: none"> <li>Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</li> </ul>	Yes, annually. Website link - <a href="http://quessecorp.com/investor/index.php">http://quessecorp.com/investor/index.php</a>

## 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? Yes/No.	Our policies related to ethics, bribery and corruption are part of our corporate governance framework and cover the Quess Group and our suppliers.
2. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?	Quess stakeholders include our investors, clients, employees, vendors/ partners, government and local communities.
3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	For details on investor complaints, refer to investor complaints section of Corporate Governance Report.

**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.	i. Workforce Management ii. Operating Asset Management iii. Global Technology Solutions
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?	Not applicable
ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	Yes
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?	Yes, wherever possible.
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%).	Yes, wherever possible.

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

1. Please indicate the Total number of employees.	Our global employees count including associates stands at 3,84,132 as on 31 March 2020 (including temporary, contractual and causal basis).
2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis	3,46,862 employees including employees of Qness group Companies.
3. Please indicate the Number of permanent women employees.	The number of permanent global women employees is 11,418 as on 31 March 2020.
4. Please indicate the Number of permanent employees with disabilities	The Company does not specifically track the number of disabled employees. The Company 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	7
8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	
• Permanent Employees	All employees of the Company (Permanent men, Permanent women and Contractual employees) are being given skill upgradation through training programmes conducted across organisation.
• Permanent Women Employees	
• Casual/Temporary/Contractual Employees	
• Employees with Disabilities	

**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/No	Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	Please refer Corporate Social Responsibility Report annexed to this Annual Report.

**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?	Yes, all the companies of Quess Group are covered under the policy.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Please refer Corporate Governance Report for investor complaints and redressal status.

**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.	Not applicable, as the Company provides services.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Not applicable
3. Does the company identify and assess potential environmental risks? Y/N	Not applicable
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. Y/N. If yes, please give hyperlink for web page etc.	Not applicable
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable
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.	Not applicable

**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.	<ol style="list-style-type: none"> <li>1) India Staffing Federation</li> <li>2) Confederation of Indian Industries</li> <li>3) Federation of Indian Chamber of Commerce and Industry</li> <li>4) Karnataka Employer's association</li> <li>5) Apex Chamber of Commerce and Industry, NCT, Delhi</li> </ol>
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;  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).	<p>Yes</p> <ol style="list-style-type: none"> <li>1) Governance &amp; Administration</li> <li>2) Economic Reforms</li> <li>3) Inclusive Development Policies</li> <li>4) Sustainable Business Principles</li> </ol>

**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.	The Company focusses on responsible business practices with community centric interventions. The thrust areas are sustainable livelihood – especially skill development and employability training, education and health care, all of which constitute the Human Development Index – a quality of life indicator.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Yes, through Care Works Foundation (CWF).
3. Have you done any impact assessment of your initiative?	Yes
4. What is your company's direct contribution to community development projects-  Amount in INR and the details of the projects undertaken.	Please refer Corporate Social Responsibility report annexed to this Annual Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Please refer Corporate Social Responsibility report annexed to this Annual Report.

**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.	Nil
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
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
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	The Company interacts with its clients on a routine basis and across all social media multiple platforms.  Customer-focused excellence demands constant sensitivity to changing and emerging customer requirements and close attention to the voice of the customer.

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

Date: 27 May 2020  
Place: BengaluruSd/-  
Ajit Isaac  
Chairman & Managing Director  
DIN: 00087168

# Annexure -VI

Form No. MGT-9

## Extract of Annual Return

as on the financial year ended on 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and Other Details:

i.	CIN	L74140KA2007PLC043909
ii.	Registration Date	19 September 2007
iii.	Name of the Company	Quess Corp Limited
iv.	Category/ Sub-Category of the Company	Public Listed Company
v.	Address of the Registered Office and contact details	3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru – 560 103 Email: <a href="mailto:investor@quesscorp.com">investor@quesscorp.com</a> Website: <a href="http://www.quesscorp.com">www.quesscorp.com</a> ; Phone No. 080-6105 6000 Fax No. 080-6105 6406
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 247 Park, C 101, 1 <sup>st</sup> Floor, LBS Marg, Vikhroli (W), Mumbai – 400 083 Maharashtra, India Email: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Tel: +91 22 49186000; Fax: +91 22 49186060

### II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service* (2008)	% to total turnover of the Company
1.	Workforce Management	7830	81.33%
2.	Operating Asset Management	7830	17.87%

\*As per National Industrial Classification – Ministry of Statistics and Programme Implementation



### III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>Indian Subsidiaries</b>					
1.	Allsec Technologies Limited 46C, Velachery Main Road, Velachery, Chennai 600042	L72300TN1998PLC041033	Step down subsidiary	73.39% held by Conneqt Business Solutions Limited	Section 2(87)
2.	Conneqt Business Solutions Limited 1-8-371 Gowra Trinity, S.P. Road Hyderabad, Andhra Pradesh 500016	U64200TG1995PLC044060	Subsidiary Company	70%	Section 2(87)
3.	Dependo Logistics Solutions Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru, Karnataka -560103.	U63030KA2016PTC096361	Wholly-Owned Subsidiary Company	100%	Section 2(87)
4.	Excelus Learning Solutions Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru, Karnataka -560103.	U74999KA2016PTC097984	Wholly-Owned Subsidiary Company	100%	Section 2(87)
5.	Greenpiece Landscape India Private Limited S2, 104, 13 <sup>th</sup> Main, 5 <sup>th</sup> Sector H S R Layout Bengaluru, Karnataka - 560034	U01403KA2008PTC044865	Wholly-Owned Subsidiary Company	100%	Section 2(87)
6.	Golden Star Facilities and Services Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru, Karnataka -560103.	U93000KA2008PTC133410	Wholly-Owned Subsidiary Company	100%	Section 2(87)
7.	MFx Infotech Private Limited; 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru, Karnataka -560103.	U72200KA2014PTC074949	Wholly-Owned Subsidiary Company	100%	Section 2(87)
8.	Monster.Com (India) Private Limited 8-2-293/82-A/1024 & 1024/1, Road No.45, Jubilee Hills, Hyderabad, Andhra Pradesh -500033	U72200TG2000PTC035617	Wholly-Owned Subsidiary Company	99.99%	Section 2(87)
9.	Qdigi Services Limited B-1/I-1, 1 <sup>st</sup> Floor, Mohan Cooperative Industrial Estate, New Delhi-110044	U52100DL2012PLC238730	Wholly-Owned Subsidiary Company	100%	Section 2(87)
10.	Quess East Bengal FC Private Limited LMJ Chamber, 3 <sup>rd</sup> Floor, 15C, Hemanta Basu Sarani, Kolkata, West Bengal-700001	U74999WB2018PTC227022	Subsidiary Company	70%	Section 2(87)
11.	Trimax Smart Infraprojects Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru, Karnataka -560103.	U74999KA2017PTC135030	Wholly-Owned Subsidiary Company	100%	Section 2(87)
12.	Simpliance Technologies Private Limited 2 <sup>nd</sup> Floor, A S Chambers, No.6, 80 Feet Road, Koramangala, Bengaluru- 560095	U72200KA2016PTC092594	Subsidiary Company	53%	Section 2(87)
13.	Vedang Cellular Services Private Limited 303, Evershine Mall Premises Co-Op Society Ltd, Chincholi Bunder Road, Link Road, Malad (West), Mumbai, Maharastra-400064	U32309MH2010PTC201638	Subsidiary Company	88.71%	Section 2(87)
<b>Foreign subsidiaries</b>					
14.	Quesscorp Holdings Pte. Ltd. 8 Temasek Boulevard, #32-01, Suntec Tower Three, Singapore 038988	201526129N	Wholly-Owned Subsidiary Company	100%	Section 2(87)
15.	Quess (Philippines) Corp 23/F, GT Tower International, 6813, Ayala Avenue, Makati City, Philippines	CS201305088	Wholly-Owned Subsidiary Company	100%	Section 2(87)
16.	Quess Corp (USA) Inc 3500 South Dupont Highway, Dover, DE 19901, U.S.A.	5435112	Wholly-Owned Subsidiary Company	100%	Section 2(87)
17.	Quess Corp Vietnam Limited Liability Company 6F & 7F, Me Linh Point Tower, No.2 Ngo DucKe Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	0314944513	Wholly-Owned Subsidiary Company	100%	Section 2(87)
18.	Quess Services Limited Ambon Complex, 6 <sup>th</sup> Floor, 99, Mohakhali C/A, Dhaka – 1212, Bangladesh	C-152770/2019	Wholly-Owned Subsidiary Company	100%	Section 2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>Foreign step down subsidiaries</b>					
19.	Brainhunter Systems Limited 2 Sheppard Avenue East, Suite 2000, Toronto, ON M2N 5Y7, Canada	2219707	Foreign step down subsidiary	81% held by MFX Holdings Inc. and 19% held by Quess Corp Limited	Section 2(87)
20.	Mindwire Systems Ltd Carling Executive Park, 1545 Carling Avenue, Suite 600 Ottawa, ON Canada K1Z 8P9	1823144	Foreign step down subsidiary	100% held by Brainhunter Systems Limited	Section 2(87)
21.	Comtel Solutions Pte. Ltd., Singapore 10, Hoe Chiang Road, #15-02 Keppel Towers, Singapore, 089315	199801439D	Foreign step down subsidiary	100% held by Quess Holdings Pte. Ltd	Section 2(87)
22.	Comtel Pro Pte. Limited 10, Hoe Chiang Road, #15-02 Keppel Towers, Singapore, 089315	201715683K	Foreign step down subsidiary	100% held by Quess Holdings Pte. Ltd	Section 2(87)
23.	Comtelink SDN. BHD Suite 11,1 <sup>st</sup> Floor, Menara TKSS, No.206 Jalan Segambut, 51200 Kuala Lumpur, Malaysia.	938724-A	Foreign step down subsidiary	100% held by Comtel Solutions Pte. Ltd.,	Section 2(87)
24.	MFXchange Holdings Inc 895 Don Mills Road, Building 2, Suite 300, Toronto, Ontario M3C 1W3 Canada	398443-5	Foreign step down subsidiary	51% Quesscorp Holdings Pte. Ltd. & 49% Quess Corp (USA) Inc.	Section 2(87)
25.	MFXchange (USA), Inc. 5 Century Drive, Suite 200, Parsippany, New Jersey, 07054	2039987	Foreign step down subsidiary	100% held by MFXchange Holdings Inc.	Section 2(87)
26.	Quess Corp Lanka (Private) Limited, (formerly known as Randstad Lanka (Private) Limited) 7 <sup>th</sup> Floor, BOC Merchant Tower, 28, St. Michael's Road, Colombo 03, Sri Lanka	PV 12225	Foreign step down subsidiary	100% held by Quesscorp Holdings Pte. Ltd.	Section 2(87)
27.	Quessglobal (Malaysia) Sdn. Bhd Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur	1127063A	Foreign step down subsidiary	100% held by Quesscorp Holdings Pte. Ltd.	Section 2(87)
28.	Monster.com SG Pte Limited 100 beach road #27-10/13 Shaw Tower Singapore 189702	200004227N	Foreign step down subsidiary	100% held by Quesscorp Holdings Pte. Ltd.	Section 2(87)
29.	Monster.com HK Limited Unit 1905, 19/F., Empress Plaza, 17-19 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong	714816	Foreign step down subsidiary	100% held by Quesscorp Holdings Pte. Ltd.	Section 2(87)
30.	Agensi Pekerjaan Monster Malaysia Sdn Bhd Private Office 902-903, Level 9, KYM Tower, No 8, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan.	513480-X	Foreign step down subsidiary	49% held by Quesscorp Holdings Pte. Ltd. & 51% held by Nominee of Quesscorp Holdings Pte. Ltd. (Malaysian National).	Section 2(87)
31.	Allsectech Inc., USA 5 Independence Way Suite 300, Princeton, NJ - 08540-6627	52-2273712	Foreign step down subsidiary	100% held by Allsec Technologies Limited	Section 2(87)
32.	Allsectech Manila Inc., Philippines 3/F Market! Market! Bonifacio Global City, Taguig City, Metro Manila	CS200406072	Foreign step down subsidiary	100% held by Allsec Technologies Limited	Section 2(87)
33.	Retreat Capital Management Inc., USA 17870 Sky Park Cir Ste 105 Irvine, CA - 92614	26-2512915	Foreign step down subsidiary	100% held by Allsec Technologies Limited	Section 2(87)
<b>Indian Associates</b>					
34.	Terrier Security Services (India) Private Limited 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru, Karnataka - 560103	U74920KA2009PTC049810	Associate Company	49% held by Quess Corp Limited	Section 2(6)
35.	Heptagon Technologies Private Limited G2A & G2B of Manchester Square, Ground Floor, D.No. 12/1, Puliyakulam Road, Opp to Kidney Centre, Coimbatore, Tamil Nadu - 641037	U72200TZ2015PTC021609	Associate Company	49% held by Quess Corp Limited	Section 2(6)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>Foreign Associate</b>					
36.	HIMMER Industrial Services (M) SDN. BHD. 17-11, Level 17, Q Sentral, Jalan Stesen Sentral, 50470 Kuala Lumpur	1185762-T	Associate Company	49% held by Quesscorp Holdings Pte. Ltd.	Section2(6)
37.	Quess Recruit Inc. 23/F, GT Tower International, 6813, Ayala Avenue, Makati City, Philippines	CS201700082	Associate Company	25% held by Quess (Philippines) Corp	Section2(6)
38.	Agency Pekerjaan Quess Recruit Sdn. Bhd. Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur	1265396-M	Associate Company	49% held by Quessglobal (Malaysia) Sdn. Bhd.	Section2(6)

#### IV. Shareholding Pattern (Equity Share Capital Breakup as a percentage of Total Equity)

##### 1. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2019)				No. of Shares held at the end of the year (31 March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual	17,654,674	-	17,654,674	12.09	17,947,523	-	17,947,523	12.16	0.07
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp. (Thomas Cook (India) Limited)	71,323,496	0	71,323,496	48.82	0	-	0	-	(48.82)
e) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any Other.... (Promoter Group) - Isaac Enterprises Private Limited	0	-	0	0.00	15,365,824	0	15,365,824	10.42	10.42
Net Resources Investments Private Limited	15,365,824	0	15,365,824	10.52	0	-	0	-	(10.52)
- Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>104,343,994</b>	<b>-</b>	<b>104,343,994</b>	<b>71.43</b>	<b>33,313,347</b>	<b>-</b>	<b>33,313,347</b>	<b>22.48</b>	<b>(48.84)</b>
<b>(2) Foreign</b>									
Any Other Body Corporate) Fairbridge Capital (Mauritius) Limited	0	-	0	0	46,876,237	-	46,876,237	31.78	31.78
HWIC Asia Fund Class A Shares	0	-	0	0.00	748,100	-	748,100	0.51	0.51
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>47,624,337</b>	<b>0</b>	<b>47,624,337</b>	<b>32.29</b>	<b>32.29</b>
<b>Total Promoter Shareholding (A) = (A)(1)+(A)(2)</b>	<b>10,433,994</b>		<b>104,343,994</b>	<b>71.43</b>	<b>80,937,684</b>		<b>80,937,684</b>	<b>54.87</b>	<b>(16.55)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	9,620,743	-	9,620,743	6.59	21,632,348	1,596	21,633,944	14.67	8.08
b) Alternate Investment Funds	259,553	-	259,553	0.17	2,727,499	0	2,727,499	1.85	1.68
c) Foreign Portfolio Investors	19,184,173	-	19,184,173	13.13	21,551,185	460	21,551,645	14.61	1.48
d) Financial Institutions / Banks	442,649	-	442,649	0.30	43,879	1,417	45,296	0.03	(0.27)
e) Insurance Companies	0	-	0	0.00	117,025	0	117,025	0.08	0.08
f) Any other Foreign Bank	0	-	0	0.00	45	260	305	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>29,507,118</b>	<b>-</b>	<b>29,507,118</b>	<b>20.19</b>	<b>45,954,911</b>	<b>3,473</b>	<b>46,075,714</b>	<b>31.24</b>	<b>11.05</b>

Category of Shareholders	No. of Shares held at the beginning of the year (1 April 2019)				No. of Shares held at the end of the year (31 March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Central Government / State Government(s) / President of India</b>									
<b>Sub-total (B)(2):-</b>	-	-	-	-	84	0	84	0.00	0.00
<b>3. Non-Institutions</b>									
<b>a) Individuals</b>									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh	5,834,753	-	5,834,753	3.99	11,054,731	410,427	11,465,158	7.77	3.78
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1,403,207	-	1,403,207	0.96	2,815,928	0	2,815,928	1.91	0.95
b) NBFC	0	-	0	0.00	10,286	0	10,286	0.01	0.01
c) Employee Trust	0	-	0	0.00	213	0	213	0.00	0.00
<b>d) Others (specify)</b>									
1. Trusts	8,512	-	8,512	0.01	1,407,087	1,132	1,408,219	0.95	0.94
2. Non-resident Indians	596,732	-	596,732	0.41	851,368	2,341	853,709	0.58	0.17
3. Clearing Members	120,558	-	120,558	0.08	67,458	0	67,458	0.05	(0.03)
4. Bodies Corporate	3,946,174	-	3,946,174	2.70	3,007,930	11,256	3,019,186	2.05	(0.65)
5. Foreign National	0	-	0	0.00	56	0	56	0.00	0.00
6. Director & Director Relative									
7. HUF	159,703	-	159,703	0.11	402,467	0	402,467	0.27	0.16
8. Others (NBFC +Office Bearer)	164,082	-	164,082	0.11	266,598	0	266,598	0.18	0.07
<b>Sub-total (B)(3):-</b>	<b>12,069,639</b>	<b>-</b>	<b>12,069,639</b>	<b>8.26</b>	<b>20,072,056</b>	<b>425,156</b>	<b>20,497,212</b>	<b>13.90</b>	<b>5.63</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2) + (B)(3)</b>	<b>41,740,839</b>	<b>-</b>	<b>41,740,839</b>	<b>28.57</b>	<b>66,027,051</b>	<b>428,629</b>	<b>66,573,010</b>	<b>45.13</b>	<b>16.68</b>
<b>C. Employee Benefit Trust {under SEBI(Share based Employee Benefit) Regulations 2014}</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>146,084,833</b>	<b>-</b>	<b>146,084,833</b>	<b>100.00</b>	<b>146,964,735</b>	<b>428,629</b>	<b>147,510,694</b>	<b>100.00</b>	<b>-</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1 April 2019)			Shareholding at the end of the Year (31 March 2020)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Ajit Isaac	17,654,674	12.09	Nil	17,947,523	12.16	Nil	0.07
2	Thomas Cook (India) Limited	71,323,496	48.82	Nil	0	0.00	Nil	(48.82)
3	Net Resources Investments Private Limited	15,365,824	10.52	Nil	0	0.00	Nil	(10.52)
4	Isaac Enterprises Private Limited	0	0.00	Nil	15,365,824	10.42	Nil	10.42
5	Fairbridge Capital (Mauritius) Limited	0	0.00	Nil	46,876,237	31.78	Nil	31.78
6	HWIC Asia Fund Class A Shares	0	0.00	Nil	748,100	0.51	Nil	0.51

## (iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [1 April 2019]		Date	Increase/Decrease in shareholding	Reason	Shareholding at the end of the Year [31 March 2020]	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Ajit Isaac	17,654,674	12.09	7 June 2019	25,000	Acquired directly from the secondary market	17,679,674	12.10
				30 July 2019	49,000		17,728,674	12.07
				18 March 2020	16,200		17,744,874	12.17
				25 March 2020	21,449		17,766,323	
				26 March 2020	20,000		17,786,323	
				27 March 2020	23,500		17,809,823	
				30 March 2020	45,700		17,855,523	
				31 March 2020	92,000		17,947,523	
2	Thomas Cook (India) Limited (TCIL)	71,323,496	48.82	-	(71,323,496)	Reduction in share capital due to cancellation of shares held by Thomas Cook (India) Limited under the Composite Scheme of Arrangement and Amalgamation amongst Thomas Cook (India) Limited and Travel Corporation (India) Limited and TC Travel Services Limited and TC Forex Services Limited and SOTC Travel Management Private Limited and Quess Corp Limited and their respective shareholders.	0	0.00
3	Net Resources Investments Private Limited	15,365,824	10.52	-	(15,365,824)	Pursuant to the Scheme of Arrangement between Net Resources Investments Private Limited and Isaac Enterprises Private Limited and their shareholders and creditors have been approved by the Hon'ble NCLT, Chennai Bench on 8 July 2019 directing to transfer the shares held by Net Resources Investments Private Limited to Isaac Enterprises Private Limited	0	0.00
4	Isaac Enterprises Private Limited	0	0.00		15,365,824	-do-	15,365,824	10.42
5	Fairbridge Capital (Mauritius) Limited (FCML)	0	0.00		46,876,237	Pursuant to the Composite Scheme of Arrangement and Amalgamation, the equity shares were allotted to Fairbridge Capital Mauritius Limited ("FCML") who falls under the category of Promoter and Promoter Group of TCIL. As per the Composite Scheme, upon issuance and allotment of equity shares by Quess to Promoter of TCIL, FCML became the Promoter of Quess.	46,876,237	31.78

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1 April 2019)		Date	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the Year (31 March 2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	HWIC Asia Fund Class A Shares	0	0.00	31 July 2019	256,200	Acquired directly from the secondary market	256,200	0.51
				1 Aug 2019	202,000		458,200	
				2 Aug 2019	41,800		500,000	
				6 Aug 2019	18,000		518,000	
				7 Aug 2019	28,000		546,000	
				8 Aug 2019	35,000		581,000	
				9 Aug 2019	21,200		602,200	
				13 Aug 2019	10,626		612,826	
				14 Aug 2019	13,874		626,700	
				16 Aug 2019	9,200		635,900	
				19 Aug 2019	12,000		647,900	
				20 Aug 2019	6,700		654,600	
				21 Aug 2019	7,500		662,100	
				22 Aug 2019	12,300		674,400	
				23 Aug 2019	11,800		686,200	
				26 Aug 2019	7,500		693,700	
				27 Aug 2019	11,700		705,400	
				28 Aug 2019	7,300		712,700	
				29 Aug 2019	4,800		717,500	
				30 Aug 2019	8,000		725,500	
				3 Sep 2019	7,600		733,100	
				4 Sep 2019	15,000		748,100	

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Tax Relief 96				
	At the beginning of the year	2,054,802	1.39	2,054,802	1.39
	Bought during the year	7,668,337	5.20	9,723,139	6.59
	Sold during the year	(150,570)	(0.10)	9,572,569	6.49
	At the end of the year	9,572,569	6.49	9,572,569	6.49
2	Sundaram Mutual Fund A/C Sundaram Select Midcap				
	At the beginning of the year	3,545,685	2.40	3,545,685	2.40
	Bought during the year	1,927,932	1.31	5,473,617	3.71
	Sold during the year	(34,003)	(0.02)	5,439,614	3.69
	At the end of the year	5,439,614	3.69	5,439,614	3.69



Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	India Capital Fund Limited				
	At the beginning of the year	2,319,015	1.57	2,319,015	1.57
	Bought during the year	1,731,888	1.17	4,050,903	2.74
	Sold during the year	0	0.00	0	0.00
	At the end of the year	4,050,903	2.74	4,050,903	2.74
4	Rochdale Emerging Markets (Mauritius)				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	2,906,060	1.97	2,906,060	1.97
	Sold during the year	(230,284)	(0.16)	2,675,776	1.81
	At the end of the year	2,675,776	1.81	2,675,776	1.81
5	Franklin India Smaller Companies Fund				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	2,208,153	1.50	2,208,153	1.50
	Sold during the year	0	0.00	0	0.00
	At the end of the year	2,208,153	1.50	2,208,153	1.50
6	Malabar Select Fund				
	At the beginning of the year	691,623	0.47	691,623	0.47
	Bought during the year	1,498,083	1.01	2,189,706	1.48
	Sold during the year	0	0.00	0	0.00
	At the end of the year	2,189,706	1.48	2,189,706	1.48
7	ICICI Prudential Long Term Equity Fund Tax Savings				
	At the beginning of the year	25	0.00	25	0.00
	Bought during the year	20,09,172	1.36	20,09,197	1.36
	Sold during the year	0	0.00	0	0.00
	At the end of the year	20,09,197	1.36	20,09,197	1.36
8	IDBI Trusteeship Services Ltd				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	1,389,571	0.94	1,389,571	0.94
	Sold during the year	0	0.00	0	0.00
	At the end of the year	1,389,571	0.94	1,389,571	0.94
9	Malabar India Fund Limited				
	At the beginning of the year	1,135,396	0.77	1,135,396	0.77
	Bought during the year	268,518	0.18	1,403,914	0.95
	Sold during the year	(100,000)	(0.07)	1,303,914	0.88
	At the end of the year	1,303,914	0.88	1,303,914	0.88
10	TATA Mutual Fund - Tata Small Cap Fund				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	1,434,391	0.97	1,434,391	0.97
	Sold during the year	(340,020)	(0.23)	1,094,371	0.74
	At the end of the year	1,094,371	0.74	1,094,371	0.74

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Director's / KMP name	Category of Directors/ KMP	Shareholding at the beginning of the year (As on 1 April 2019)		Date	Increase/ Decrease In shareholding	Reason	Cumulative shareholding during the year (01.04.2019 - 31.03.2020)	
			No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Ajit Isaac	Chairman and Managing Director	1,76,54,674	12.09	7 June 2019	25,000	Acquisition directly from the secondary market	1,79,47,523	12.16
					30 July 2019	49,000			
					18 March 2020	16,200			
					25 March 2020	21,449			
					26 March 2020	20,000			
					27 March 2020	23,500			
					30 March 2020	45,700			
2	Subrata Nag*	Executive Director & CEO	68,154	0.05	10 October 2019	83,026	Shares allotted under ESOP	1,01,180	0.07
					26 November 2019	(10,788)	Disposal of shares in the secondary market		
					27 November 2019	(10,170)			
					29 November 2019	(43)			
					2 December 2019	(28,999)			
3	K. Suraj Moraje	Executive Director & Group CEO	-	-	24 March 2020	5,000	Acquired directly from the secondary market	5,000	Negligible
4	Pravir Kumar Vohra	Independent Director	2,500	Negligible	8 November 2019	2,500	Acquired directly from the secondary market	6,982	Negligible
					19 December 2019	1,982			
5	Revathy Ashok	Independent Director	150	Negligible	-	150	-	-	-
6	Kundan K Lal	Company Secretary	40	Negligible	-	-	Acquired directly from the secondary market	40	Negligible

\*Subrata Nag resigned from his office of Directorship and CEO with effect from the closing of 31 March 2020.

**V. Indebtedness****Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

S. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>1</b>	<b>Indebtedness at the beginning of the financial year</b>				
	i) Principal Amount	5,696,056,949	358,530	-	5,696,415,479
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	28,809,472	-	-	28,809,472
	<b>Total (i+ii+iii)</b>	<b>5,724,866,421</b>	<b>358,530</b>	<b>-</b>	<b>5,725,224,951</b>
<b>2</b>	<b>Change in Indebtedness during the financial year</b>				
	• Addition (Only principal)	7,050,000,000	-	-	7,050,000,000
	• Reduction (Only principal)	(4,230,087,035)	(358,530)	-	(4,230,445,565)
	<b>Net Change</b>	<b>2,819,912,965</b>	<b>(358,530)</b>	<b>-</b>	<b>2,819,554,435</b>
<b>3</b>	<b>Indebtedness at the end of the financial year</b>				
	i) Principal Amount	8,515,969,914	-	-	8,515,969,914
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	37,445,852	-	-	37,445,852
	<b>Total (i+ii+iii)</b>	<b>8,553,415,766</b>	<b>-</b>	<b>-</b>	<b>8,553,415,766</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

		(₹ in millions)		
S. No.	Particulars of Remuneration	Chairman & Managing Director	Executive Director & Group CEO#	Executive Director & CEO
		Ajit Isaac	K. Suraj Moraje (From 4 November 2019)	Subrata Nag (Till 31 March 2020)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.38	6.64	13.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options (*)	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	a) Bonus	-	-	-
	b) Contribution to PF	0.52	0.36	0.02
	c) Leave encashment	-	-	-
	<b>Total</b>	<b>17.90</b>	<b>7.00</b>	<b>13.95</b>
	<b>Overall Ceiling as per the CA, 2013</b>	<b>₹ 198.81 million (being 10% of Net Profits of the Company as calculated as under Section 198 of the Companies Act, 2013)</b>		

#Mr. K. Suraj Moraje was appointed as the Executive Director w.e.f 4 November 2019 and Group CEO w.e.f 1 April 2020.

\*Above remuneration excludes 83,026 ESOPs exercised by Mr. Subrata Nag during year valuing ₹ 36.95 million.

### B. Remuneration to other Directors

		(₹ in millions)				
A	Name of the Independent Director	Pratip Chaudhuri	Pravir Kumar Vohra	Revathy Ashok	Sanjay Anandaram	Total
1	Fee for attending Board/ Committee meetings	0.75	0.70	0.77	0.57	2.79
2	Commission	0.75	0.75	0.75	0.75	3.00
3	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>1.50</b>	<b>1.45</b>	<b>1.52</b>	<b>1.32</b>	<b>5.79</b>
B	Name of Non-Executive Director	Chandran Ratnaswami	Madhavan Karunakaran Menon			
1	Fee for attending Board/ Committee meetings	-	-			
2	Commission	-	-			
3	Others, please specify	-	-			
	<b>Total (B)</b>	<b>-</b>	<b>-</b>			<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>1.50</b>	<b>1.45</b>	<b>1.52</b>	<b>1.32</b>	<b>5.79</b>
	<b>Total Managerial Remuneration</b>					<b>5.79</b>
	<b>Overall Ceiling as per the CA 2013</b>	<b>₹ 19.88 million (being 1% of Net Profits of the Company as calculated as under Section 198 of the Companies Act, 2013).</b>				

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

(₹ in millions)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Manoj Jain, Chief Financial Officer (from 24 January 2018 to 27 June 2019)	Subramanian Ramakrishnan, Chief Financial Officer (from 27 June 2019 till date)	Kundan K Lal, Company Secretary (from 17 April 2019 till date)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.64	8.47	5.35	26.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify				
	a) Bonus	-	-	-	-
	b) Contribution to PF	0.01	0.34	0.18	0.54
	c) Leave encashment	-	-	-	-
	<b>Total</b>	<b>4.65</b>	<b>8.81</b>	<b>5.53</b>	<b>26.97</b>

**VII. Penalties / Punishment/ Compounding of Offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board of Directors of Qness Corp limited

Date: 27 May 2020  
Place: Bengaluru

Sd/-  
Ajit Isaac  
Chairman & Managing Director

# Annexure -VII

## 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 – 59 Subrata Nag <sup>1</sup> -44 K. Suraj Moraje <sup>2</sup> -32 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 Executive director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Ajit Isaac – 0% Subrata Nag– 8% K. Suraj Moraje – 0% Subramanian Ramakrishnan <sup>3</sup> -0% Kundan K Lal <sup>4</sup> – 0%
3	The percentage increase in the median remuneration of employees in the financial year;	6.1%
4	The number of permanent employees on the rolls of the Company;	3,452 (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 FY 2019-20 was 6.1% and the average increase in the remuneration of KMP was 2.0. %.
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

- Mr. Subrata Nag resigned from the post of Whole-time Director and Chief Executive Officer of the Company w.e.f. the closing of 31 March 2020.
- Mr. K. Suraj Moraje was appointed as the Executive Director and CEO Designate w.e.f 4 November 2019 and Group CEO w.e.f 1 April 2020.
- Mr. Subramanian Ramakrishnan was appointed as Chief Financial Officer of the Company w.e.f. 27 June 2019.
- Mr. Kundan K Lal was appointment as Company Secretary and Compliance Officer w.e.f. 17 April 2019.

### 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 Director of Quess Corp Limited

Date: 27 May 2020  
Place: Bengaluru

Sd/-  
Ajit Isaac  
Chairman & Managing Director  
DIN: 00087168

# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended 31 March 2020, in compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

## I. Company's Philosophy

Quess Corp Limited ("**Quess**" or "**the Company**") strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also hold itself accountable and responsible to the society it belongs. The Company considers it essential to abide by the laws and regulations in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country.

Corporate Governance implies an accurate, adequate and timely disclosure of relevant information. Efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the business of any organization.

Your Company's Corporate Governance Philosophy is further strengthened by its adoption of Code of Conduct for the Board members and senior management, the Board process, Code of Conduct for the Prevention of Insider Trading and Code for Fair Disclosure. A report on these is detailed below.

## II. Board of Directors

Quess's 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.

The Company believes that an effective Board requires an optimum combination of professionals from different spheres with diversity and independence.

### a) Board Composition

As on 31 March 2020, the strength of the Board comprises of eight Directors. The Board is headed by the Executive Chairman and comprises of eminent personalities with expertise in diverse fields. Out of these, four (4) are Non-

Executive, Independent Directors, one (1) is Non-Executive and three (3) are Executive Directors including Chairman. The profiles of the Directors are available on our website at <http://quesscorp.com/about/board-of-directors/>. The Company meets the requirement of Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013 (**the "Act"**) in terms of the composition of its Board.

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 2020 has been received from the Directors. None of the Directors are related inter-se.

As per the declarations received by the Company, none of the Directors are disqualified under Section 164(2) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

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 for 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. At every quarterly scheduled meeting, the Board reviews recent developments, the regulatory compliance position and proposals for business growth that impact the Company's strategy.

The Board meetings are usually held at the Company's Registered and Corporate Office in Bengaluru.



During the year under review, the Board met eleven times on 17 April 2019, 22 May 2019, 27 June 2019, 12 July 2019, 24 July 2019, 10 September 2019, 27 September 2019, 30 October 2019, 9 December 2019, 29 January 2020 and 18 February 2020. The Company, as required by the regulations, convened at least one Board meeting in a quarter and the maximum time gap between any two consecutive meetings did not exceed 120 (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"). 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 necessary quorum was present for all the meetings.

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 2020 are given hereinbelow. 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 the Listing Regulations.

S. No.	Name of Director	Designation/ Category of Director	Attendance at meetings		Directorship / Committee Membership in Other Companies (including Quess Corp Limited)			Name & Category of Directors in other Listed Companies	
			No. of meetings attended (including through electronic mode)	Whether attended last AGM	No. of Directorships in Public Limited Companies	No. of Committee Memberships / Chairpersonship		Company Name	Category
						Membership	Chairmanship		
1	Ajit Isaac	Chairman & Managing Director & (Executive Director)	10	Yes	2	2	1	Allsec Technologies Limited	Executive & Non-Independent Director
2	Chandran Ratnaswami	Non-Executive Director	10	No	7	3	0	Thomas Cook (India) Limited	Non-Executive & Non-Independent Director
								IIFL Finance Limited	Non-Executive & Non-Independent Director
3	Madhavan Karunakaran Menon*	Non-Executive Director	1	No	5	0	0	Thomas Cook (India) Limited	Executive & Non-Independent Director
4	Pratip Chaudhuri	Non-Executive & Independent Director	10	Yes	9	9	3	CESC Limited	Non-Executive & Independent Director
								Visa Steel Limited	Non-Executive & Independent Director
								Firstsource Solutions Limited	Non-Executive & Independent Director
								Muthoot Finance Limited	Non-Executive & Independent Director
								Spencer's Retail Limited	Non-Executive & Independent, Shareholder Director
								Cosmo Films Limited	Non-Executive & Independent Director
5	Pravir Kumar Vohra	Non-Executive & Independent Director	9	No	4	6	2	Thomas Cook (India) Limited	Non-Executive & Independent, Shareholder Director
								IDFC First Bank Limited	Non-Executive & Independent, Shareholder Director

S. No.	Name of Director	Designation/ Category of Director	Attendance at meetings		Directorship / Committee Membership in Other Companies (including Quess Corp Limited)			Name & Category of Directors in other Listed Companies	
			No. of meetings attended (including through electronic mode)	Whether attended last AGM	No. of Directorships in Public Limited Companies	No. of Committee Memberships / Chairpersonship			
						Membership	Chairmanship	Company Name	Category
6	Revathy Ashok	Non-Executive & Independent Director	11	Yes	9	8	4	Astrazeneca Pharma India Limited	Non-Executive & Independent Director
								Welspun Corp Limited	Non-Executive & Independent Director
								ADC India Communications Limited	Non-Executive & Independent Director
7	Sanjay Anandaram	Non-Executive & Independent Director	9	Yes	3	5	2	Allsec Technologies Limited	Non-Executive & Independent Director
8	Subrata Nag @	Executive Director & Group CEO	11	Yes	3	2	0	Allsec Technologies Limited	Non -Executive & Non- Independent Director
9	K. Suraj Moraje #	Executive Director & Group CEO	4	NA	3	0	0	Allsec Technologies Limited	Executive & Non- Independent Director

**Notes:**

- None of the Directors are related to any Director or is 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.
  - The above table excludes Directorship in Private Companies, Foreign Companies and Companies registered under section 8 of the Companies Act, 2013.
- \* Mr. Madhavan Karunakaran Menon, (DIN: 00008542) Non-Executive Director resigned from the Board with effect from 29 October 2019.
- @ Mr. Subrata Nag (DIN: 02234000), Executive Director & Group CEO resigned from his office of Directorship and Group CEO with effect from the closing of 31 March 2020.
- # Mr. K. Suraj Moraje (DIN: 08594844) was appointed as an Additional Director of the Company in the capacity of Executive Director and Group CEO Designate with effect from 4 November 2019 and was further appointed as the Group CEO from 1 April 2020.

**Compliances related to Board/Committee meetings**

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 website, [www.quessecorp.com](http://www.quessecorp.com)

**c) Matrix setting out key Board qualifications, skills, expertise and attributes**

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. The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above

and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. In addition to the above, in case of the appointment of Independent Directors, the Committee shall satisfy itself with regard to the independence of the Directors to enable the Board to discharge its functions and duties effectively.

In compliance with the Listing Regulations, the Board of Directors of the Company has identified the list of core skills / expertise / competencies of the Board of Directors in the context of the Company's business and its sector for effective functioning, which are currently available with the Board:

1	Finance and Accounts	Leadership experience in handling financial management and risk management of large organizations. Experience in foreign exchange management.
2	Wide management and leadership experience	Strong management and leadership experience including in areas of business development, strategic planning, mergers and acquisitions.
3	Information Technology	Expertise or experience in information technology business, technology consulting and operations, emerging areas of technology such as digital, artificial intelligence, cloud and cyber security, intellectual property in information technology domain and knowledge of technology trends.
4	Regulatory Compliance, Governance and Stakeholders Management	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.
5	Functional and managerial Experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, and risk management.
6	Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture. A varied mix of strategic perspectives, geographical focus with knowledge and understanding of key geographies.

**d) Below is the list of core skills, expertise and competencies of the individual Directors:**

Name of the Director	Skills/expertise/Competencies					
	Finance and Accounts	Wide management and leadership experience	Information Technology	Regulatory Compliance, Governance and Stakeholders Management	Functional and managerial experience	Diversity
Mr. Ajit Isaac Chairman & Managing Director	✓	✓	✓	✓	✓	✓
Mr. K. Suraj Moraje Executive Director & Group CEO	✓	✓	✓	✓	✓	✓
Mr. Chandran Ratnaswami Non-Executive Director	✓	✓	✓	✓	✓	✓
Mr. Gopalakrishnan Soundarajan Non-Executive Director	✓	✓	✓	✓	✓	✓
Mr. Pratip Chaudhuri Independent Director	✓	✓	✓	✓	✓	✓
Mr. Pravir Vohra Independent Director	✓	✓	✓	✓	✓	✓
Ms. Revathy Ashok Independent Director	✓	✓	✓	✓	✓	✓
Mr. Sanjay Anandaram Independent Director	✓	✓	✓	✓	✓	✓

**e) Confirmation on fulfilling the criteria of Independence by an Independent Director**

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.

Pursuant to a notification dated 22 October 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Directors in this regard.

**f) Limit on number of Directorships by Independent Director**

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 25 of the Listing Regulations.

**g) Maximum tenure of Independent Director**

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the Listing Regulations and Section 149(10) of the Act. Mr. Pratip Chaudhuri, Mr. Pravir Kumar Vohra, Ms. Revathy Ashok and Mr. Sanjay Anandaram were appointed as Non-Executive Independent Directors at the Extra-Ordinary General Meeting of the Company held on 23 December 2015 for a period of 5 (five) consecutive years up to the conclusion of the Annual General Meeting of the Company scheduled to be held in the year 2020.

**h) Performance evaluation of Independent Director**

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Independent Directors which are given below:

- (a) Attendance at Board meetings and Board Committee meetings;
- (b) Chairpersonship of the Board and Board Committees;
- (c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings; and
- (d) Guidance and support provided to senior management of the Company.

**i) Separate meeting of Independent Directors**

Pursuant to Schedule IV of the Act, the Independent Directors of the Company met once during the year on 22 May 2019 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 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 terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

**j) Familiarization programme**

Our Directors, at the time of their appointment, are provided with information about the Company and its organization 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 website of the Company at [http://quesscorp.com/investor/dist/images/pdf/Policies/Directors\\_Familiarization\\_Programme.pdf](http://quesscorp.com/investor/dist/images/pdf/Policies/Directors_Familiarization_Programme.pdf).

The Company is in compliance with Regulation 25(7) of the Listing Regulations.

Details of equity shares and convertible instruments of the Company held by the Non- Executive Directors as on 31 March 2020 is given below:

Name of the Director	Category	Number of equity shares
Mr. Pravir Kumar Vohra	Independent, Non- Executive Director	6,982

The Company has not issued any convertible instruments.

**k) 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 are 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.

#### l) 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 Chairman and Managing Director (CMD) 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.quessecorp.com/investor/dist/images/pdf/Policies/Code\\_of\\_Business\\_Conduct\\_and\\_Ethics.pdf](https://www.quessecorp.com/investor/dist/images/pdf/Policies/Code_of_Business_Conduct_and_Ethics.pdf)

#### m) 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.

#### n) 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' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations").

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.

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 viz. <https://www.quessecorp.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 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.

There are seven Board Committees as on 31 March 2020 which comprises five statutory committees and two other committees that have been formed in line with the requirements of Act and Listing Regulations, the details of which are given as follows:

- A. Audit Committee
- B. Nomination and Remuneration Committee ("NRC")
- C. Stakeholders' Relationship Committee ("SRC")
- D. Corporate Social Responsibility Committee ("CSR")
- E. Risk Management Committee ("RMC")
- F. Share Transfer Committee
- G. Administration and Investment Committee

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided hereinbelow.

## A. Audit Committee

The Audit Committee supports the Board by overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements.

As required under Section 177 of the Act, the Audit Committee should comprise at least three directors with Independent Directors forming the majority. As per Regulation 18 of the Listing Regulations, the Committee should comprise at least three members of which at least two-third should be independent.

The powers, roles and terms of reference of the committee are in consonance with the requirements under Section 177 of the Act and Regulation 18 of the Listing Regulations.

The Audit Committee was last reconstituted by the Board at its meetings held on 16 May 2017.

The Audit Committee comprises of following members on the date of reporting:

Mr. Pratip Chaudhuri	Chairperson (Independent Director)
Mr. Chandran Ratnaswami	Member (Non-Executive Director)
Mr. Pravir Kumar Vohra	Member (Independent Director)
Ms. Revathy Ashok	Member (Independent Director)
Mr. Sanjay Anandaram	Member (Independent Director)

All members are financially literate and have financial management expertise.

### Terms of Reference

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 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) Establishing a vigil mechanism/whistle blower mechanism, in case the same is existing, for directors and employees to report their genuine concerns or grievances and reviewing the said mechanism;



- 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; and
- 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.
- 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.

As required under Regulation 18 of the Listing Regulations, the Chairman of the Audit Committee is an Independent Director.

#### Details of Audit Committee Meetings

During the year under review, the Audit Committee met five times on 22 May 2019, 27 June 2019, 24 July 2019, 30 October 2019 and 29 January 2020. The time gap between any two consecutive meetings did not exceed 120 (one hundred and twenty) days as required under the provisions of the Act and Listing Regulations.

#### Details of members and their attendance at the Audit Committee meetings:

Name	Category	Designation	No. of Committee Meetings	
			No. of Meetings held	No. of Meetings Attended
Mr. Pratip Chaudhuri	Independent Director	Chairperson	05	05
Mr. Chandran Ratnaswami	Non-Executive Director	Member	05	04
Mr. Pravir Kumar Vohra	Independent Director	Member	05	03
Ms. Revathy Ashok	Independent Director	Member	05	05
Mr. Sanjay Anandaram	Independent Director	Member	05	04

The Chairman and Managing Director, Executive Director and Group Chief Executive Officer, Chief Financial Officer, Chief Business Officer 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.

#### B. Nomination and Remuneration Committee

The scope and function of the Nomination and Remuneration Committee ("NRC Committee") is in accordance with Section 178 of the Act read with Regulation 19 and Part D of Schedule II of the Listing Regulations. The NRC Committee was last reconstituted by our Board at its meeting held on 18 January 2016.

The Committee meets at the frequent intervals depending upon the requirements. NRC comprises of the following members of the Board on the date of reporting:

Mr. Pravir Kumar Vohra	Chairperson (Independent Director)
Mr. Chandran Ratnaswami	Member (Non-Executive Director)
Mr. Pratip Chaudhuri	Member (Independent Director)

**Terms of Reference:**

- 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;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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
- Analysing, monitoring and reviewing various human resource and compensation matters;
- 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;
- Determine compensation levels payable to the senior management personnel and other staff (as deemed

necessary), which shall be market-related, usually consisting of a fixed and variable component;

- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 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;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- 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;
- 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
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

During the year under review, the members of NRC Committee met five times on 17 April 2019, 22 May 2019, 27 June 2019, 30 October 2019 and 18 February 2020.

Details of members and their attendance at the meetings are as follows:

Name	Category	Designation	No. of Committee Meetings	
			No. of Meetings held	No. of Meetings Attended
Mr. Pravir Kumar Vohra	Independent Director	Chairperson	05	05
Mr. Chandran Ratnaswami	Independent Director	Member	05	04
Mr. Pratip Chaudhuri	Independent Director	Member	05	05

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:

Your Company understands the requirement of an effective Evaluation process and accordingly conducts the Performance Evaluation every year in respect of the following:

- Board of Directors as a whole.
- Committees of the Board of Directors.
- 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 2020. 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'.

The Directors carry out the aforesaid Performance Evaluation in a confidential manner and provide their feedback on a rating scale of 1 - 4. 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 Performance Evaluation feedback of the Chairman was sent to the Chairperson of the NRC.

#### Remuneration Policy

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 website of the Company at [www.queesscorp.com](http://www.queesscorp.com) and is available at the link [https://www.queesscorp.com/investor/corporate\\_governance.php](https://www.queesscorp.com/investor/corporate_governance.php). 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 2019-20, 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, Executive Director & Group CEO and other senior executives consists of a fixed component and a variable component. 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 financial year 2019-20:

Name of the Director	Sitting Fees	Salary and Perquisites	Contribution to Provident and Other Funds	Commission#	(₹ in millions)
					Total
Mr. Ajit Isaac	-	17.38	0.52	NA	17.90
Mr. Subrata Nag	-	13.93	0.02	NA	13.95*
Mr. K. Suraj Moraje	-	6.64	0.36	NA	7.00
Mr. Chandran Ratnaswami	-	-	-	-	-
Mr. Pratip Chaudhuri	0.75	-	-	0.75	1.50
Mr. Pravir Kumar Vohra	0.70	-	-	0.75	1.45
Ms. Revathy Ashok	0.77	-	-	0.75	1.52
Mr. Sanjay Anandaram	0.57	-	-	0.75	1.32

# Commission to Independent Directors for the FY20 was paid during FY21.

\* Above remuneration excludes 83,026 ESOPs exercised by Mr. Subrata Nag during the year valuing ₹ 36.95 million.

During the year under review, the Company has not advanced loans to any of its Directors.

### C. Stakeholders' Relationship Committee

Pursuant to provisions of Section 178 (5) of the Act read with Regulation 20 of the Listing Regulations, Stakeholders' Relationship Committee ("SRC") has been constituted by the Board. The SRC Committee was last reconstituted by our Board at its meeting held on 29 January 2020.

The SRC 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.

The Committee meets at frequent intervals depending upon the requirements SRC comprises of the following members of the Board on the date of reporting:

Mr. Sanjay Anandaram	Chairperson (Independent Director)
Mr. Ajit Isaac	Member (Non-Executive Director)
Ms. Revathy Ashok	Member (Independent Director)

#### Terms of Reference:

- 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.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- 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
- 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.

During the year under review, the members of SRC met once on 22 May 2019.

Details of members and their attendance at the meetings are as follows:

Name	Category	Designation	No. of Committee Meetings	
			No. of Meetings held	No. of Meetings Attended
Mr. Sanjay Anandaram*	Independent Director	Chairperson	NA	NA
Mr. Madhavan Karunakaran Menon**	Non- Executive Director	Ex- Chairperson	01	01
Mr. Ajit Isaac	Chairman & Managing Director	Member	01	01
Ms. Revathy Ashok	Independent Director	Member	01	01

\* Mr. Sanjay Anandaram was appointed as Chairperson of the Committee by the Board of Directors at its meeting held on 29 January 2020

\*\* Mr. Madhavan Karunakaran Menon resigned from the post of Chairpersonship of the Committee from 29 October 2019

The 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:

Particulars	Pending as on 01.04.2019	Received during the year	Resolved during the year	Balance as on 31.03.2020
SEBI SCORES Website	-	2	2	-
Registrar of Companies	-	-	-	-
Stock Exchange(s)	-	-	-	-
Non-Receipt/ Revalidation of Dividend Warrants	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>

**D. Corporate Social Responsibility Committee**

The Corporate Social Responsibility ("CSR") is formed in accordance with the provisions of Section 135 of the Act, read with the relevant Rules. The CSR was constituted by the Board at its meeting held on 28 April 2014. The CSR Committee was last reconstituted by our Board at its meeting held on 22 December 2015.

CSR comprises of the following members of the Board on the date of reporting:

Ms. Revathy Ashok	Chairperson (Independent Director)
Mr. Ajit Isaac	Member (Chairman & Managing Director)
Mr. Pravir Kumar Vohra	Member (Independent Director)

**Terms of Reference:**

- (i) 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;
- (ii) Recommend the amount of expenditure to be incurred on the CSR activities;
- (iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- (iv) Monitor the amount approved by the Board is spent for the purpose and report the same to the Board.

During the year under review, the CSR Committee met twice on 22 May 2019 and 30 October 2019.

Details of members and their attendance at the meetings are as follows:

Name	Category	Designation	No. of Committee Meetings	
			No. of Meetings held	No. of Meetings Attended
Ms. Revathy Ashok	Independent Director	Chairperson	02	02
Mr. Ajit Isaac	Chairman & Managing Director	Member	02	02
Mr. Pravir Kumar Vohra	Independent Director	Member	02	02

The Company Secretary and Compliance Officer is the Secretary to the CSR Committee.

**E. Risk Management Committee**

In terms of Regulation 21 of the Listing Regulations, the Board has constituted a Risk Management Committee ("RMC") at its meeting held on 17 April 2019. RMC was last reconstituted by our Board at its meeting held on 29 January 2020. The composition of the Committee is in conformity with the Listing Regulations. The RMC meets at frequent intervals depending upon the requirements.

RMC comprises of the following members of the Board on the date of reporting:

Mr. Ajit Isaac	Chairperson (Chairman & Managing Director)
Mr. K. Suraj Moraje	Member (Executive Director & Group CEO)
Ms. Revathy Ashok	Member (Independent Director)
Mr. Sanjay Anandaram	Member (Independent Director)
Mr. Rajesh Kharidehal	Member (Chief Business Officer)

Mr. Subramanian Ramakrishnan	Member (Chief Financial Officer)
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**Terms of Reference:**

1. The Risk Management Committee shall annually review and approve the Risk Management Framework of the Company. The Committee shall periodically review the risk management processes and practices of the Company.
2. The Risk Management Committee shall ensure that the Company is taking the appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
3. 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).
4. 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).

5. The Risk Management Committee shall make regular reports/ recommendations to the Board.
6. The Risk Management Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The role and responsibilities of the RMC shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

The said Policy has been uploaded on the website of the Company at [www.quessecorp.com](http://www.quessecorp.com) and is available at the link <https://www.quessecorp.com/investor/dist/images/pdf/Policies/Risk-Management-Policy.pdf>

During the year under review, the RMC met once on 28 January 2020.

Details of members and their attendance at the meetings are as follows:

Name	Category	Designation	No. of Committee Meetings	
			No. of Meetings held	No. of Meetings Attended
Mr. Ajit Isaac	Chairman & Managing Director	Chairperson	01	01
Mr. Subrata Nag*	Executive Director	Member*	01	01
Mr. K. Suraj Moraje	Executive Director & Group CEO	Member	NA	NA
Mr. Sanjay Anandaram	Independent Director	Member	NA	NA
Ms. Revathy Ashok	Independent Director	Member	NA	NA
Mr. Rajesh Kharidehal	Chief Business Officer	Member	01	01
Mr. Subramanian Ramakrishnan	Chief Financial Officer	Member	01	01

\*Mr. Subrata Nag was member of the Risk Management Committee up to 29 January 2020.

The Company Secretary and Compliance Officer is the Secretary to the RMC Committee.

## F. Share Transfer Committee

The Share Transfer Committee was constituted by the Board of Directors at its meeting held on 29 January 2020.

Share Transfer Committee comprises of the following members of the Board on the date of reporting:

Mr. Ajit Isaac	Chairperson (Chairman & Managing Director)
Mr. K. Suraj Moraje	Member (Executive Director & Group CEO)
Mr. Kundan K Lal	Member (Vice President & Company Secretary)

### Terms of reference:

- 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; and
- 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.
- e) Issue of duplicate or split share certificates.

During the year under review, the Share Transfer Committee met twice on 3 February 2020 and 27 February 2020.

The processing activities with respect to requests received for share transfers were generally completed within three to five working days. No share transfers were pending as on 31 March 2020.



Details of members and their attendance at the meetings are as follows:

Name	Category	Designation	No. of Committee Meetings	
			No. of Meetings held	No. of Meetings Attended
Mr. Ajit Isaac	Chairman & Managing Director	Chairperson	2	2
Mr. K. Suraj Moraje	Executive Director & Group CEO	Member	2	2
Mr. Kundan K Lal	Vice President & Company Secretary	Member	2	2

#### IV. General Body Meetings

##### A. Annual General Meeting ("AGM")

The details of AGM's convened during the last three years are as follows:

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	<ol style="list-style-type: none"> <li>1. Ratification of Qness Corp Limited Employees Stock Option Scheme 2015 and grant of stock options to the Eligible Employees under the Scheme.</li> <li>2. Ratification for grant of stock options to the Employees of Subsidiaries Companies under Qness Corp Limited Employee Stock Option Scheme 2015.</li> </ol>
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	<ol style="list-style-type: none"> <li>1. Revision in commission payable to Independent Directors.</li> <li>2. Appointment of Mr. Subrata Kumar Nag ("Subrata Nag") (DIN: 02234000) as the Executive Director &amp; Chief Executive Officer of the Company.</li> <li>3. Re-appointment of Mr. Ajit Abraham Isaac ("Ajit Isaac") (DIN: 00087168) as the Chairman &amp; Managing Director of the Company.</li> <li>4. Fixation of fees under Section 20 of the Companies Act, 2013.</li> </ol>
2016-17	21 July 2017	11:30 A.M.	Spring Hall, Hotel Royal Orchid, #1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru - 560008	To approve further capital raising.

## B. Extra-Ordinary General Meeting ("EGM")

The date, time and location of EGM's held during the year 2019-20 and the special resolutions passed are as follows:

Financial Year	Date	Time	Location of the meeting	Special Resolutions
2019-20	8 August 2019	03:00 P.M.	Novotel Hotel, Opposite RMZ Ecospace Business Park, Sarjapur Outer Ring Road, Bengaluru - 560103.	To issue equity shares of the Company on a preferential allotment basis to Amazon.com NV Investment Holdings LLC, a Category III Foreign Portfolio Investor.
	10 October 2019	11:00 A.M.	Royal Orchid Central, No. 47/1, Dickenson Road, Manipal Centre, Bengaluru (KA) 560042.	Approval of the Scheme of Amalgamation (the "Scheme") of Aravon Services Private Limited ("Transferor Company-1"), CentreQ Business Services Private Limited ("Transferor Company-2"), Coachieve Solutions Private Limited ("Transferor Company-3"), Master Staffing Solutions Private Limited ("Transferor Company-4") with Quess Corp Limited ("Transferee Company").

## C. NCLT convened General Meeting

The date, time and location of NCLT convened General Meetings held during the year 2019-20 and the special resolutions passed are as follows:

Financial Year	Date	Time	Location of the meeting	Special Resolutions
2019-20	20 August 2019	10:00 A.M.	Novotel Hotel, Opposite RMZ Ecospace Business Park, Sarjapur Outer Ring Road, Bengaluru - 560103.	Approval of the Composite Scheme of Arrangement and Amalgamation amongst Thomas Cook (India) Limited and Travel Corporation (India) Limited and TC Travel Services Limited and TC Forex Services Limited and SOTC Travel Management Private Limited and Quess Corp Limited.

## D. Postal Ballot conducted during the year 2019-20

During the year, the Company sought the approval of the shareholders by way of a Special Resolution passed by way of postal ballot vide notice dated 12 July 2019 for the Composite Scheme of Arrangement and Amalgamation amongst Thomas Cook (India) Limited and Travel Corporation (India) Limited and TC Travel Services Limited and TC Forex Services Limited and SOTC Travel Management Private Limited and Quess Corp Limited, which was duly passed and the results of which were announced on 21 August 2019. Ms. Manjula B S, Practicing Cost Accountant, was appointed as the Scrutinizer by NCLT to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Further, the Company had sought approval by way of Special Resolution(s) vide notice dated 18 February 2020 for Item 2,3, and 4 mentioned herein below, which was duly passed and the results of which were announced on 2 April 2020. Mr. S.N.Mishra, SNM & Associates, Practicing Company Secretary, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

### Details of Special Resolution passed through Postal Ballot Voting Pattern

### Voting Pattern

Approval for Composite Scheme of Arrangement and Amalgamation amongst Thomas Cook (India) Limited and Travel Corporation (India) Limited and TC Travel Services Limited and TC Forex Services Limited and SOTC Travel Management Private Limited and Quess Corp Limited.	Resolution passed by a requisite majority of 99.99%.
Approval of the amendments in the "Quess Corp Limited – Employees' Stock Option Scheme 2015".	Resolution passed by a requisite majority of 99.68%
Approval of the 'Quess Stock Ownership Plan- 2020' ("QSOP 2020" or "Plan") for the employees of the Company.	Resolution passed by a requisite majority of 99.67%
Approval of the grant of employee restricted stock units to the employees of Subsidiary Company(ies) of the Company under 'Quess Stock Ownership Plan- 2020' ("QSOP 2020" or "Plan").	Resolution passed by a requisite majority of 99.74%

**Procedure for the postal ballot:**

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

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 website of the Company at [www.queesscorp.com](http://www.queesscorp.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.queesscorp.com](http://www.queesscorp.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](http://www.bseindia.com) and [www.nseindia.com](http://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 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 website. During the year under review, the Company made a presentation on the investor and analyst day held on 5 March 2020 in Mumbai. The details are also displayed on the Company's website [www.queesscorp.com](http://www.queesscorp.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 website.
- List of all Credit Ratings obtained by the entity along with revisions, if any, thereto during the relevant financial year: As on 30 March 2020, 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**

- CIN Number:** L74140KA2007PLC043909
- Registered and Corporate Office:** 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru 560103
- Annual General Meeting for FY20**  
**Date:** 29 September 2020  
**Day:** Tuesday  
**Time:** 3.30 p.m.  
**Venue:** The Company is conducting a meeting through VC / OAVM pursuant to the MCA Circular dated 5 May 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
- Financial Calendar**  
Financial year: 1 April to 31 March  
For the year ended 31 March 2020, results were announced on:
  - 22 May 2019
  - 24 July 2019
  - 30 October 2019
  - 29 January 2020
- Dates of Book Closure**  
As mentioned in the Notice of this AGM.
- 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 – 400 001	539978
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex Bandra (East), Mumbai – 400 050	QUESS

The annual listing fees for FY20 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

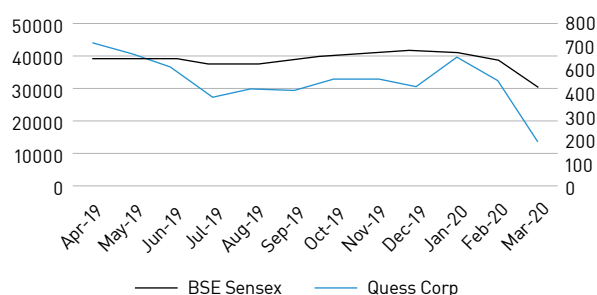
ISIN Number: INE615P01015

Name of the Stock Exchange(s)	Stock Code
BSE Limited, Mumbai	539978
The National Stock Exchange of India Limited, Mumbai	QUESS

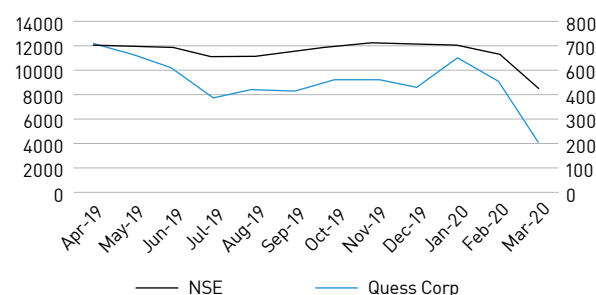
#### viii. Stock Market Performance

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr 19	757.50	672.00	78,472	758.05	681.00	176,431
May 19	718.00	638.90	14,779	722.00	642.00	283,726
Jun 19	666.50	554.00	294,806	666.20	553.35	459,399
Jul 19	583.80	386.85	366,717	583.95	385.55	5,251,110
Aug 19	480.00	406.85	48,073	478.00	406.10	711,536
Sep 19	487.95	444.00	25,607	488.00	443.95	427,659
Oct 19	554.70	446.00	508,989	554.00	446.00	2,653,346
Nov 19	592.70	491.40	31,141	593.00	490.55	404,850
Dec 19	526.55	448.10	32,368	526.45	447.20	389,939
Jan 20	639.05	480.25	769,281	638.20	479.55	991,394
Feb 20	634.95	505.25	12,713	637.15	505.00	445,557
Mar 20	524.25	202.50	27,961	523.55	200.65	1,112,598

Performance on BSE versus BSE Sensex



Performance on NSE versus Nifty



#### 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	<a href="mailto:rtn.helpdesk@linkintime.co.in">rtn.helpdesk@linkintime.co.in</a>	Link Intime India Private Limited 247 Park, C 101, 1 <sup>st</sup> Floor, LBS Marg, Vikhroli(W), Mumbai – 400 083, Maharashtra, India Tel: +91 22 49186270 Fax: +91 22 49186060 <a href="http://www.linkintime.co">www.linkintime.co</a>

**x. Share Transfer System**

As on 31 March 2020, 99.72% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company.

The Board has delegated the powers of share operations to a Committee comprising of Mr. Ajit Isaac, Mr. K. Suraj Moraje and Mr. Kundan K Lal. 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 2020.

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 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.

**xi. Distribution of shareholding as on 31 March 2020**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 to 5000	92,285	95.37	6,816,834	68,168,340	4.62
5001 to 10000	2,173	2.24	1,546,458	15,464,580	1.05
10001 to 20000	1,216	1.26	1,754,786	17,547,860	1.19
20001 to 30000	368	0.38	896,593	8,965,930	0.61
30001 to 40000	134	0.14	466,299	4,662,990	0.32
40001 to 50000	105	0.11	475,258	4,752,580	0.32
50001 to 100000	177	0.18	1,254,942	12,549,420	0.85
100001 to 9999999999	314	0.32	134,299,524	1,342,995,240	91.04
<b>TOTAL :</b>	<b>96,772</b>	<b>100.00</b>	<b>147,510,694</b>	<b>1,475,106,940</b>	<b>100.00</b>

**xii. Dematerialization of Shares and liquidity**

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. As at 31 March 2020, 147,081,805 equity shares representing 99.72% of the total equity share capital of the Company were held in dematerialised form.

**xiii. 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 2020, the Company does not have any outstanding

GDRs/ADRs/Warrants or any convertible instruments.

**xiv. 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.

**xv. Branch Offices**

The Company has 54 branches as on 31 March 2020 across India.

**xvi. Address for correspondence**

Shareholders/ Investors may write to the Company Secretary at the following address:

	Contact	Email	Address
For Corporate Governance and Other Secretarial related matters	Mr. Kundan K Lal Vice President & Company Secretary	<a href="mailto:investor@quesscorp.com">investor@quesscorp.com</a>	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 <a href="http://www.quesscorp.com">www.quesscorp.com</a>

In addition to the aforesaid, Debenture holders may write to the Debenture Trustee at the following address:

	Contact	Email	Address
For Debenture related matters	Ms. Preeti Binwani	<a href="mailto:debenturetrustee@axistrustee.com">debenturetrustee@axistrustee.com</a> ;	Axis Trustee Services Limited, Axis House, Bombay Dyeing Mills Compound, PB Marg, Worli, Mumbai-400025. Phone No: 022-62260051/60 Fax No: 022-43253000 <a href="http://www.axistrustee.com">www.axistrustee.com</a>

**xvii. 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.

**xviii. Website disclosures**

Corporate Social Responsibility Policy	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Policies/CSR-Policy.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Policies/CSR-Policy.pdf</a>
Vigil Mechanism	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Governance/Whistle-BlowerPolicy.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Governance/Whistle-BlowerPolicy.pdf</a>
Code of Conduct	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Policies/Code_of_Business_Conduct_and_Ethics.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Policies/Code_of_Business_Conduct_and_Ethics.pdf</a>
Nomination and Remuneration Policy	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Policies/Nomination-and-Remuneration-Policy.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Policies/Nomination-and-Remuneration-Policy.pdf</a>
Code of Conduct for Prevention of Insider Trading	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Governance/Code-of-Conduct-InsiderTrading-Policy.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Governance/Code-of-Conduct-InsiderTrading-Policy.pdf</a>
Material Subsidiary Policy	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-for-Material-Subsidiary.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-for-Material-Subsidiary.pdf</a>
Policy on Related Party Transactions	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-RPT.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-RPT.pdf</a>
Policy on Determination of Materiality of Events and Information	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-Materiality-of-events-information.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Governance/Policy-on-Criterial-for-determining-Materiality-of-events-information.pdf</a>
Policy on Preservation of Documents	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Policies/POLICY%20FOR%20PRESERVATION%20OF%20DOCUMENTS.PDF">https://www.quesscorp.com/investor/dist/images/pdf/Policies/POLICY%20FOR%20PRESERVATION%20OF%20DOCUMENTS.PDF</a>
Terms and Conditions of Appointment of Independent Directors	<a href="https://www.quesscorp.com/investor/dist/images/pdf/Policies/Letter-of-Appointment-for-Independent-Director-with-Terms-and-Conditions.pdf">https://www.quesscorp.com/investor/dist/images/pdf/Policies/Letter-of-Appointment-for-Independent-Director-with-Terms-and-Conditions.pdf</a>
Details of its Business	<a href="https://www.quesscorp.com/about/company-profile/">https://www.quesscorp.com/about/company-profile/</a>
Composition of Various Committees of the Board of Directors	<a href="https://www.quesscorp.com/investor/corporate_governance.php">https://www.quesscorp.com/investor/corporate_governance.php</a>

## 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 2020, 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 website of the Company at [www.queesscorp.com](http://www.queesscorp.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 2020 (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 / stricture 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.queesscorp.com/investor/dist/images/pdf/Governance/Whistle-BlowerPolicy.pdf>

## VIII. Subsidiary Companies

As on 31 March 2020, the Company has a total of 38 (Indian and foreign) subsidiaries and associate companies, comprising of 16 step down subsidiaries, 13 Wholly-Owned Subsidiaries, 4 Subsidiary Companies, 4 Associate Companies and 1 Joint Venture Company. There has been no material change in the nature of the business of the subsidiaries.

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 website of the Company at: <https://www.queesscorp.com/investor/dist/images/pdf/Governance/Policy-for-Material-Subsidiary.pdf>

### Weblink where Policy on dealing with Related Party Transactions

The Policy on Related Party Transactions, as approved by the Board, is displayed on the website of the Company at [http://queesscorp.com/investor/dist/images/pdf/Policies/Policy\\_on\\_Criterial\\_for\\_determining\\_RPT.pdf](http://queesscorp.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:

Sl. No.	Particulars	FY20 (Amount in ₹ millions)
1.	Statutory audit fees	4.40
2.	Limited reviews	1.50
3.	Tax audit fees	0.20
4.	Other Certification fees	2.10
5.	Reimbursement of expenses	0.16
<b>Total</b>		<b>8.36</b>

### XIII. Prevention, Prohibition and Redressal of Sexual Harassment

The Company is committed to provide a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition and redressal of sexual harassment at 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 financial year 2019-20 along with their status of redressal as on financial year ended 31 March 2020 are as under:

No. of complaints filed during the financial year 2019-20	7
No. of complaints disposed of during the financial year 2019-20	7
No. of complaints pending redressal as on 31 March 2020	0

### XIV. 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.

### XV. 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. The Board

The details required to be provided in respect of the non-Executive Chairman are not applicable as the Chairman of the Board is an Executive Chairman.

#### B. Shareholders' Rights

The half-yearly declaration 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 website, [www.quessecorp.com](http://www.quessecorp.com), on a quarterly basis.

#### C. Modified opinion(s) in the Audit Report

The audited financial statements of the Company for the financial year 2019-20 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, Executive 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 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 2020.

Place: Bengaluru  
Date: 27 May 2020

Sd/-  
K. Suraj Moraje  
Executive Director and Group CEO

## Certificate – Status of Directors

I, S.N. Mishra proprietor of SNM Associates, Bengaluru, Practicing Company Secretary, have examined all the relevant documents and records made available to us by Quess Corp Limited CIN: L74140KA2007PLC043909 and hereby certify as follows:

None of the Directors on the Board of Quess Corp Limited ("Company") 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 ("SEBI") or Ministry of Corporate Affairs ("MCA") or any other statutory authorities.

Place: Bengaluru  
Date: 27 May 2020

Sd/-  
S.N.Mishra  
Practicing Company Secretary  
UDIN: F006143B000289965  
C. P. No. : 4684  
FCS No. : 6143

## Corporate Governance Compliance Certificate

To,  
The Members  
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 pursuant with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 [SEBI(LODR), 2015] as amended from time to time for the financial year ending 31 March 2020.

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.

On the basis of our findings recorded in the annexed report, from the examination of the records produced and explanations and information furnished to us, in our opinion the Company has complied with the conditions of corporate governance as stipulated in SEBI (LODR), 2015 as on 31 March 2020.

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.

Place: Bengaluru  
Date: 27 May 2020

Sd/-  
S.N.Mishra  
Practicing Company Secretary  
UDIN: F006143B000289965  
C. P. No. : 4684  
FCS No. : 6143

## CEO and CFO Certification

### [As per the Regulation 17(8) and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors  
Qness Corp Limited  
Bengaluru

We, K. Suraj Moraje, Executive Director & Group Chief Executive Officer and Subramanian Ramakrishnan, Chief Financial Officer of Qness 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 year ended 31 March 2020 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 2020 which are 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 has 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 2020 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: 27 May 2020

Sd/-  
K. Suraj Moraje  
Executive Director & Group CEO

Sd/-  
Subramanian Ramakrishnan  
Chief Financial Officer

# Independent Auditor's Report

## To The Members of Qess Corp Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Qess Corp Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, 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 31 March 2020, 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 the 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 Matters

- We draw attention to Note 41.5 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.
- As discussed in Notes 4, 5, 6 and 36 of the standalone financial statements, the Company has recorded an impairment of INR 2,787.83 million of Goodwill, INR 677.68 million of Intangible assets and INR 1,795.67 million of Investment in and Loans given to certain subsidiaries and associate pursuant to an impairment assessment as at 31 March 2020.

Our opinion 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	<b>Revenue Recognition</b>  Revenue from contracts with customers for the year ended 31 March 2020 is INR 77,402.32 million.  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.	<b>Principal Audit Procedures</b>  Our audit approach was a combination of test of controls and substantive procedures which included the following: <ul style="list-style-type: none"> <li>Tested the effectiveness of internal controls relating to recording of revenues at reporting periods by inquiry and inspection of (1) rates agreed in the contract with customers and (2) confirmation of attendance/ time records from customers.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>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.</p> <p>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.</p> <p>We considered recording of unbilled revenues as a key audit matter as there is significant audit effort to ensure that revenue is recorded based on (1) contractual terms and (2) the work delivered is duly acknowledged by the customer.</p> <p>Refer Notes 2.11 and 29 to the standalone financial statements.</p>	<ul style="list-style-type: none"> <li>For a sample of invoices:               <ul style="list-style-type: none"> <li>Tested invoices using a combination of customer approved attendance/time records and pricing agreed as per contractual terms.</li> <li>Tested unbilled revenues with subsequent invoicing based on customer acceptances.</li> </ul> </li> </ul>
2	<p><b>Evaluation of Impairment Assessment of Goodwill and Identified Intangible Assets</b></p> <p>Goodwill and identified intangible assets are tested for impairment annually or more frequently, if there is a trigger for assessing impairment.</p> <p>The Company performed an impairment analysis for each of its cash generating units at 31 March 2020 and considered the impact of COVID-19, the resultant significant market volatility over mid-February to March 2020 and uncertainties in future economic condition in the determination of recoverable amounts.</p> <p>Consequent to the impairment analysis, the Company impaired INR 2,787.83 million and INR 677.68 million of goodwill and identified intangible assets respectively during the year ended 31 March 2020.</p> <p>The recoverable amount was determined to be higher of fair value less costs of disposal and value-in-use. Determining the recoverable amount requires assumptions around future revenue, EBITDA and discount rates.</p> <p>Key judgments include the anticipated reduction in revenues and EBITDA due to COVID-19 and the time to recovery post COVID-19. The Company's methodology in determining the assumptions is set out in Note 4.1 to the standalone financial statements.</p> <p>Given the above complexities, the determination of recoverable amount is complex and subjective as it involves specific assumptions applicable to each CGU which includes revenue growth rates, EBITDA margins, terminal growth rates and discount rates applied to estimated future cash flows.</p> <p>These assumptions are sensitive to reasonable possible changes including economic uncertainties due to COVID-19 and therefore considered as a key audit matter.</p> <p>Refer Notes 2.3, 2.5, 2.7, 2.8, 4 and 36 to the standalone financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We tested the effectiveness of internal controls over the Company's forecasting process and goodwill impairment review including controls related to the development of the revenue growth rates, EBITDA margins, and the assumptions used to develop the discount rates.</p> <p>We evaluated reasonableness of management's assumptions related to revenue growth rates, capital expenditure, EBITDA margins and discount rates by considering (i) the current and past performance of each of the cash generating units, (ii) the consistency of internal assumptions with external market information, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.</p> <p>We also assessed the sensitivity of each group of CGU's to key inputs and testing the integrity and mathematical accuracy of the impairment models.</p> <p>We involved our internal fair value specialists to assist in the evaluation of the appropriateness of the Company's model for calculating value in use for each of the cash generating units and reasonableness of certain significant assumptions, including the WACC.</p> <p>We reviewed the impairment disclosure to ensure consistency against the requirements of Ind AS 36 – Impairment of Assets.</p>

Sr. No.	Key Audit Matter	Auditor's Response
3	<p><b>Evaluation of Impairment Assessment of Investment in Subsidiaries and Associates</b></p> <p>Investments in subsidiaries and associates are valued at cost less impairment losses, if any.</p> <p>Management assesses if there are any indicators of impairment at the end of each reporting period. If there are indicators of impairment, management assesses the recoverable amount of the investments based on higher of value in use or face value less costs to sell.</p> <p>The Company performed an impairment analysis for each of its investments at 31 March 2020 and considered the impact of COVID-19, the resultant significant market volatility over mid-February to March 2020 and uncertainties in future economic condition in the determination of recoverable amounts. Consequent to the impairment analysis, the Company impaired INR 1,511.00 million of investments in certain subsidiaries and associates during the year ended 31 March 2020.</p> <p>Determining the present value of future cash flows expected to be derived from the investments requires assumptions around future revenue, EBITDA and discount rates. Key judgments include the anticipated reduction in revenues and EBITDA due to COVID-19 and the time to recovery post COVID-19. The Company's methodology in determining the assumptions is set out in Note 5.12 to the standalone financial statements.</p> <p>Given the above complexities, the determination of recoverable amount is complex and subjective as it involves specific assumptions applicable to each subsidiaries relating to revenue growth rates, EBITDA margins, terminal growth rates and discount rates applied to estimated future cash flows.</p> <p>These assumptions are sensitive to reasonable possible changes including economic uncertainties due to COVID-19 and therefore considered as a key audit matter.</p> <p>Refer Notes 2.3, 2.12, 5 and 36 to the Standalone financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We tested the effectiveness of internal controls over the Company's forecasting process and investment impairment review including controls related to the development of the revenue growth rates, EBITDA margins, and the assumptions used to develop the discount rates.</p> <p>We evaluated reasonableness of management's assumptions related to revenue growth rates, EBITDA margins and discount rates by considering (i) the current and past performance of each of subsidiaries and associates, (ii) the consistency of internal assumptions with external market information and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.</p> <p>We also assessed the sensitivity of each investment to key changes in assumptions and tested the mathematical accuracy of the impairment models.</p> <p>We involved our internal fair value specialists to assist in the evaluation of the appropriateness of the impairment model for calculating value in use and reasonableness of certain significant assumptions, including the discount rate.</p> <p>We reviewed the impairment disclosures to ensure consistency against the requirements of Ind AS 36 – Impairment of Assets.</p>

## 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 and Managing Director's Statement, Board's Report, Financial performance highlights (including segment wise performance), Management discussion and analysis 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 frauds 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 statement 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 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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: 20110815AAAAABL1124)

Place: Bengaluru

Date: 27 June 2020

# 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 Qess Corp Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the standalone 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 31 March 2020, 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)

Place: Bengaluru  
Date: 27 June 2020

(Membership No. 110815)  
(UDIN: 20110815AAAABL1124)

# 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. 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 Order 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 and does not have any unclaimed deposits as at 31 March 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under provisions of the clause 3(vi) of the Order is not applicable to the Company.
- (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 statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (INR)	Forum where Dispute is Pending	Period to which the Amount Relates
KVAT Act, 2003	Value Added Tax	39,968,461 (11,990,537)*	Joint Commissioner of Commercial Taxes (Appeal) - I, Bangalore	2016-17
Service Tax	Service Tax	3,738,254	Commissioner of Central Excise (Appeals)	April 2013 - July 2014
Service Tax	Service Tax	3,908,949 (293,172)*	Commissioner of Central Excise (Appeals)	2013-14 and 2014-15
Service Tax	Service Tax	154,016,345 (11,551,226)*	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	October 2007 – March 2016

\*represents payments made under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from financial institutions and banks. The Company does not have any outstanding dues to debenture holders as the same is repayable after five years from the date of its issue and Company did not have any outstanding loans or borrowings from government during the year.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the money raised by way of Institutional Placement Programme during the year ended 31 March 2018 has been applied by the Company over the year for the purposes for which they were raised.
- (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 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 standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.
- In respect of the above issue, we further report that:
- (a) the requirement of section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- (b) the amounts raised have not been utilised by the Company during the year.
- (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 subsidiary, or associate companies or persons connected with them and hence the provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA 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: 20110815AAAABL1124)

Place: Bengaluru  
Date: 27 June 2020

# Standalone Balance Sheet

as at 31 March 2020

(Amount in INR millions)

Particulars	Note	As at 31 March 2020	As at 31 March 2019 Restated*
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	411.98	514.59
Right-of-use assets	3 (b)	684.67	-
Goodwill	4	2,777.73	5,565.56
Other intangible assets	4	714.47	1,546.16
Intangible assets under development	4	2.42	53.12
<b>Financial assets</b>			
Investments	5	12,036.12	6,863.03
Loans	6	1,350.74	2,713.72
Other financial assets	7	87.70	305.59
Deferred tax assets (net)	8	1,384.78	1,662.03
Income tax assets (net)	8	2,898.45	2,006.27
Other non-current assets	9	65.05	62.40
<b>Total non-current assets</b>		<b>22,414.11</b>	<b>21,292.47</b>
<b>Current assets</b>			
Inventories	10	102.53	108.68
<b>Financial assets</b>			
Investments	11	-	384.68
Trade receivables	12	4,749.09	5,381.83
Cash and cash equivalents	13	3,902.90	3,396.15
Bank balances other than cash and cash equivalents above	14	363.39	761.30
Loans	15	427.43	1,317.75
Unbilled revenue	16	6,219.96	4,602.93
Other financial assets	17	130.43	91.96
Other current assets	18	479.24	358.57
<b>Total current assets</b>		<b>16,374.97</b>	<b>16,403.85</b>
<b>Total Assets</b>		<b>38,789.08</b>	<b>37,696.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	1,475.11	1,460.85
Other equity	20	21,709.68	24,749.55
<b>Total equity</b>		<b>23,184.79</b>	<b>26,210.40</b>

# Standalone Balance Sheet

as at 31 March 2020

(Amount in INR millions)

Particulars	Note	As at 31 March 2020	As at 31 March 2019 Restated*
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	-	1,489.47
Lease liabilities	22	543.60	-
Non-current provisions	23	1,125.48	811.92
<b>Total non-current liabilities</b>		<b>1,669.08</b>	<b>2,301.39</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	24	7,767.88	4,206.59
Lease liabilities	22	188.34	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	45	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	551.44	591.83
Other financial liabilities	26	3,308.22	2,992.79
Current provisions	27	22.14	28.38
Other current liabilities	28	2,097.19	1,364.94
<b>Total current liabilities</b>		<b>13,935.21</b>	<b>9,184.53</b>
<b>Total Liabilities</b>		<b>15,604.29</b>	<b>11,485.92</b>
<b>Total Equity and Liabilities</b>		<b>38,789.08</b>	<b>37,696.32</b>

\*Refer note 50

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: 27 June 2020

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

**Ajit Isaac**  
Chairman &  
Managing Director  
DIN : 00087168

**Subramanian Ramakrishnan**  
Chief Financial Officer

Place: Bengaluru  
Date: 27 May 2020

**K. Suraj Moraje**  
Executive Director &  
Group Chief Executive Officer  
DIN: 08594844

**Kundan K. Lal**  
Company Secretary  
Membership No.: F8393



# Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(Amount in INR millions, except per share data)

		For the year ended	
Particulars	Note	31 March 2020	31 March 2019 Restated*
<b>Income</b>			
Revenue from operations	29	77,402.32	56,947.89
Other income	30	475.46	465.44
<b>Total income</b>		<b>77,877.78</b>	<b>57,413.33</b>
<b>Expenses</b>			
Cost of material and stores and spare parts consumed	31	1,309.54	1,397.40
Employee benefit expenses	32	67,914.63	47,664.93
Finance costs	33	967.99	636.66
Depreciation and amortisation expense	34	656.18	454.02
Other expenses	35	4,842.87	4,715.66
<b>Total expenses</b>		<b>75,691.21</b>	<b>54,868.67</b>
<b>Profit before tax and exceptional items</b>		<b>2,186.57</b>	<b>2,544.66</b>
Exceptional items (impairment of goodwill, intangible assets, investments and loans given to related party)	36	5,261.18	-
<b>(Loss)/profit before tax</b>		<b>(3,074.61)</b>	<b>2,544.66</b>
<b>Tax expense</b>			
Current tax	8	-	(543.37)
Tax relating to earlier years	8	-	(51.77)
Deferred tax	8	(294.46)	390.81
<b>Total tax expense</b>		<b>(294.46)</b>	<b>(204.33)</b>
<b>(Loss)/profit for the year</b>		<b>(3,369.07)</b>	<b>2,340.33</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement losses on defined benefit plans	44	(68.42)	(26.05)
Income tax relating to items that will not be reclassified to profit or loss		17.20	10.67
<b>Other comprehensive (loss)/income for the year, net of income tax</b>		<b>(51.22)</b>	<b>(15.38)</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(3,420.29)</b>	<b>2,324.95</b>
<b>(Loss)/earnings per equity share (face value of INR 10.00 each)</b>			
Basic (in INR)	42	(22.94)	16.05
Diluted (in INR)	42	(22.89)	15.96

\*Refer note 50

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**

Chairman &

Managing Director

DIN : 00087168

**Subramanian Ramakrishnan**

Chief Financial Officer

**K. Suraj Moraje**

Executive Director &

Group Chief Executive Officer

DIN: 08594844

**Kundan K. Lal**

Company Secretary

Membership No.: F8393

Place: Bengaluru

Date: 27 June 2020

Place: Bengaluru

Date: 27 May 2020

# Standalone Statement of Changes in Equity

for the year ended 31 March 2020

## (A) Equity share capital

Particulars	Note	31 March 2020	31 March 2019
Opening balance	19	1,460.85	1,454.84
Changes in equity share capital	19	14.26	6.01
<b>Closing balance</b>		<b>1,475.11</b>	<b>1,460.85</b>

## (B) Other equity

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	Debt redemption reserve	Re-measurement of the net defined benefit liability/asset	
Balance as at 1 April 2018		380.47	16,851.09	4,755.81	21.45	69.96	93.75	(12.63)	22,159.90
Total comprehensive income for the year ended 31 March 2019									
Profit for the year*		-	-	2,340.33	-	-	-	-	2,340.33
Other comprehensive income (net of tax)**		-	-	-	-	-	-	(15.38)	(15.38)
Total comprehensive income		-	-	2,340.33	-	-	-	(15.38)	2,324.95
Transferred to debt redemption reserve	20	-	-	(75.00)	-	-	75.00	-	-
Transferred to general reserve	20	-	-	-	0.11	(0.11)	-	-	-
Impact of merger	50	625.97	-	(407.63)	-	-	-	-	218.34
Transactions with owners, recorded directly in equity									
Contributions by owners									
Share based payments	20	-	-	-	-	46.36	-	-	46.36
Total contributions by owners		-	-	-	-	46.36	-	-	46.36
Balance as at 31 March 2019		1,006.44	16,851.09	6,613.51	21.56	116.21	168.75	(28.01)	24,749.55

\* Profit for the year ended 31 March 2019 includes INR 27.53 million arising on account of merger (refer note 50).

\*\* Other comprehensive income for the year ended 31 March 2019 includes INR 14.88 million arising on account of merger (refer note 50).

# Standalone Statement of Changes in Equity

for the year ended 31 March 2020

## (B) Other equity (Contd..)

		Reserves and surplus						Items of other comprehensive income		Total equity attributable to equity holders of the Company
Particulars	Note	Capital reserve	Securities premium	Retained earnings	General reserve	Stock options outstanding account	Debt redemption reserve	Remeasurement 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 loss 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 loss		-	-	(3,369.07)	-	-	-	(51.22)	(3,420.29)	
Transferred to debt redemption reserve	20	-	-	(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	52	242.64	-	(6.68)	-	-	-	0.07	236.03	
Transfer on account of redemption of NCDs	20	-	-	103.12	-	-	(103.12)	-	-	
Transactions with owners, recorded directly in equity										
Contributions by owners										
Share based payments	20	-	-	-	-	18.77	-	-	18.77	
Preferential allotment of equity shares	20	-	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	

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: 27 June 2020

for and on behalf of the Board of Directors of

**Quess Corp Limited**

**Ajit Isaac**

Chairman &

Managing Director

DIN : 00087168

**Subramanian Ramakrishnan**

Chief Financial Officer

**K. Suraj Moraje**

Executive Director &

Group Chief Executive Officer

DIN: 08594844

**Kundan K. Lal**

Company Secretary

Membership No.: F8393

# Standalone Statement of Cash Flows

for the year ended 31 March 2020

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019 Restated*
<b>Cash flows from operating activities</b>		
(Loss)/profit after tax	(3,369.07)	2,340.33
<b>Adjustments to reconcile net (loss)/profit to net cash provided by operating activities:</b>		
Tax expense	294.46	204.33
Interest income on term deposits	(68.75)	(126.00)
Amortised cost adjustments for financial instruments	(31.46)	(14.24)
(Loss)/profit on sale of property, plant and equipment, net	33.38	(0.40)
Interest income on debentures given to related parties	(65.75)	-
Net gain on sale of investments in mutual funds	(48.46)	(81.53)
Net fair value loss on mutual funds	44.58	44.27
Interest on loans given to related parties	(292.06)	(247.32)
Liabilities no longer required written back	(0.03)	(0.24)
Expense on employee stock option scheme	18.77	46.36
Finance costs	967.99	636.66
Depreciation and amortisation expense	656.18	454.02
Loss allowance on financial assets, net	55.98	124.60
Exceptional items (impairment of goodwill, intangible assets, investments and loans given to related party; refer note 36)	5,261.18	-
Deposits written off	-	4.07
Bad debts recovered	-	(0.10)
<b>Operating profit before working capital changes</b>	<b>3,456.94</b>	<b>3,384.81</b>
<b>Changes in operating assets and liabilities</b>		
Changes in inventories	6.15	(39.32)
Changes in trade receivables and unbilled revenue	(1,175.72)	(1,255.30)
Changes in loans, other financial assets and other assets	(231.28)	(265.39)
Changes in trade payables	(30.02)	63.43
Changes in other financial liabilities, other liabilities and provisions	266.15	512.41
<b>Cash generated from operations</b>	<b>2,292.22</b>	<b>2,400.64</b>
Income taxes paid, net of refund	(892.20)	(1,270.56)
<b>Net cash flows from operating activities (A)</b>	<b>1,400.02</b>	<b>1,130.08</b>
<b>Cash flows from investing activities</b>		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(159.46)	(227.15)
Investment in subsidiaries	(2,846.74)	(686.98)
Proceeds from slump sale (refer note 52)	168.00	-
Investment in associates	-	(115.35)
Proceeds from sale of mutual fund units	388.55	1,626.59
Bank deposits (having original maturity of more than three months), net	449.47	1,537.99
Loans given to related parties	(3,994.91)	(3,394.63)
Repayment of loans by related parties	2,589.02	1,382.66
Interest received on loans to related parties	76.26	98.86
Interest received on debentures	65.75	-
Interest received on term deposits	74.71	142.72
<b>Net cash (used in)/from investing activities (B)</b>	<b>(3,189.35)</b>	<b>364.71</b>

# Standalone Statement of Cash Flows

for the year ended 31 March 2020

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019 Restated*
<b>Cash flows from financing activities</b>		
Proceeds from current borrowings	39,620.73	12,979.65
Repayments of current borrowings	(35,916.66)	(14,560.00)
Redemption of non-convertible debentures (refer note 21)	(750.00)	-
Proceeds from issue of equity shares, net of issue expenses	477.98	-
Shares issued on exercise of employee stock options	5.39	6.01
Repayment of lease liabilities	(253.40)	-
Interest paid	(887.96)	(633.62)
<b>Net cash from/(used in) financing activities (C)</b>	<b>2,296.08</b>	<b>(2,207.96)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	506.75	(713.17)
Cash and cash equivalents at the beginning of the year	3,396.15	4,109.32
<b>Cash and cash equivalents at the end of the year</b>	<b>3,902.90</b>	<b>3,396.15</b>

## Components of cash and cash equivalents

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019 Restated*
<b>Cash and cash equivalents</b>		
Cash on hand	3.95	2.81
Balances with banks		
In current accounts	3,898.95	3,393.34
<b>Cash and cash equivalents as per note standalone balance sheet</b>	<b>3,902.90</b>	<b>3,396.15</b>

\*Refer note 50

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: 27 June 2020

for and on behalf of the Board of Directors of

**Quess Corp Limited**

**Ajit Isaac**

Chairman &

Managing Director

DIN : 00087168

**Subramanian Ramakrishnan**

Chief Financial Officer

Place: Bengaluru

Date: 27 May 2020

**K. Suraj Moraje**

Executive Director &

Group Chief Executive Officer

DIN: 08594844

**Kundan K. Lal**

Company Secretary

Membership No.: F8393

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 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 Tech services.

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 Company 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.

During the year, the Company has restated the financials of the comparative period on account of merger of 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") [refer note 50 of the standalone financial statements].

## 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 27 May 2020.

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 Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets including receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as on date of approval of these standalone financial results has used internal and external sources of information to the extent available and has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. The Company will continue to monitor future economic conditions for any significant change. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these standalone financial results. Such changes, if any, will be prospectively recognised.

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

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

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 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.

## 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.



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

- 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.
- 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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

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.

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

## 2.7 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.

## 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 its 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 use of an identified asset for a period of time in exchange for consideration.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

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 difference between the lease obligation recorded as of 31 March 2019 under Ind AS 17 disclosed under the Standalone financial statements and the value of the lease liability as of 1 April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 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 2020

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.

## 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 2020

## 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

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.

### (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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

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. 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. 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 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.



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 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 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



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

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 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 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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 3 (a) Property, plant and equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Leasehold improvements	Computer equipment	Total property, plant and equipment
	(Amount in INR millions)						
<b>Gross carrying amount as at 1 April 2018</b>	<b>508.37</b>	<b>54.62</b>	<b>131.45</b>	<b>23.99</b>	<b>29.32</b>	<b>182.59</b>	<b>930.34</b>
Additions through business combination	25.80	0.64	4.02	0.94	-	6.07	37.47
Additions	25.68	25.69	48.96	-	6.79	58.63	165.75
Disposals	[13.75]	[0.09]	[0.01]	-	-	-	[13.85]
<b>Balance as at 31 March 2019</b>	<b>546.10</b>	<b>80.86</b>	<b>184.42</b>	<b>24.93</b>	<b>36.11</b>	<b>247.29</b>	<b>1,119.71</b>
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]
<b>Balance as at 31 March 2020</b>	<b>451.15</b>	<b>106.08</b>	<b>224.53</b>	<b>21.29</b>	<b>52.36</b>	<b>312.54</b>	<b>1,167.95</b>
<b>Accumulated depreciation as at 1 April 2018</b>	<b>189.62</b>	<b>25.32</b>	<b>56.50</b>	<b>9.09</b>	<b>21.98</b>	<b>100.44</b>	<b>402.95</b>
Additions through business combination	18.49	0.41	1.96	0.74	-	4.94	26.54
Depreciation for the year	80.08	13.31	30.59	8.79	4.95	51.69	189.41
Disposals	[13.73]	[0.05]	-	-	-	-	[13.78]
<b>Balance as at 31 March 2019</b>	<b>274.46</b>	<b>38.99</b>	<b>89.05</b>	<b>18.62</b>	<b>26.93</b>	<b>157.07</b>	<b>605.12</b>
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]
<b>Balance as at 31 March 2020</b>	<b>308.45</b>	<b>55.63</b>	<b>125.24</b>	<b>20.19</b>	<b>34.53</b>	<b>211.93</b>	<b>755.97</b>
<b>Net carrying amount</b>							
<b>As at 31 March 2020</b>	<b>142.70</b>	<b>50.45</b>	<b>99.29</b>	<b>1.10</b>	<b>17.83</b>	<b>100.61</b>	<b>411.98</b>
<b>As at 31 March 2019</b>	<b>271.64</b>	<b>41.87</b>	<b>95.37</b>	<b>6.31</b>	<b>9.18</b>	<b>90.22</b>	<b>514.59</b>

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 2020

## 3 (b) Right-of-use assets

Particulars	(Amount in INR millions)
Initial recognition pursuant to adoption of Ind AS 116 (refer note 22)	512.37
Additions	424.88
Disposals	[21.48]
Depreciation for the year	[231.10]
<b>Balance as at 31 March 2020</b>	<b>684.67</b>

\*Building leases represent Right-of-use assets (refer note 22)

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 4 Intangible assets and Intangible assets under development

Particulars	Other intangible assets						Intangible assets under development
	Goodwill	Computer software	Brand	Copyright and trademarks	Customer relationships	Customer contracts	Total other intangibles assets
(Amount in INR millions)							
<b>Gross carrying amount as at 1 April 2018</b>	<b>5,534.68</b>	<b>255.44</b>	<b>894.60</b>	<b>0.48</b>	<b>1,015.00</b>	<b>23.54</b>	<b>2,189.06</b>
Additions through business combination	30.88	3.59	-	-	15.00	-	18.59
Additions	-	35.82	-	-	-	-	35.82
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>5,565.56</b>	<b>294.85</b>	<b>894.60</b>	<b>0.48</b>	<b>1,030.00</b>	<b>23.54</b>	<b>2,243.47</b>
Additions	-	31.64	-	-	-	-	31.64
Disposals	-	(0.38)	-	-	-	-	(0.38)
Capitalised during the year	-	50.44	-	-	-	-	50.44
Transfers	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>5,565.56</b>	<b>376.55</b>	<b>894.60</b>	<b>0.48</b>	<b>1,030.00</b>	<b>23.54</b>	<b>2,325.17</b>
<b>Accumulated amortisation and impairment as at 1 April 2018</b>	<b>-</b>	<b>79.98</b>	<b>193.46</b>	<b>0.24</b>	<b>150.16</b>	<b>3.78</b>	<b>427.62</b>
Additions through business combination	-	3.08	-	-	2.00	-	5.08
Amortisation for the year	-	78.03	64.50	0.12	114.12	7.84	264.61
Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>161.09</b>	<b>257.96</b>	<b>0.36</b>	<b>266.28</b>	<b>11.62</b>	<b>697.31</b>
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
<b>Accumulated amortisation and impairment as at 31 March 2020</b>	<b>2,787.83</b>	<b>238.10</b>	<b>322.64</b>	<b>0.48</b>	<b>1,030.00</b>	<b>19.48</b>	<b>1,610.70</b>
<b>Net carrying amount</b>							
<b>As at 31 March 2020</b>	<b>2,777.73</b>	<b>138.45</b>	<b>571.96</b>	<b>-</b>	<b>-</b>	<b>4.06</b>	<b>714.47</b>
<b>As at 31 March 2019</b>	<b>5,565.56</b>	<b>133.76</b>	<b>636.64</b>	<b>0.12</b>	<b>763.72</b>	<b>11.92</b>	<b>1,546.16</b>
							<b>53.12</b>

No impairment loss has been recognised during the previous year.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

- 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 its 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 2020, the Company had INR 5,565.56 million of goodwill and INR 677.78 million of intangible assets allocated to the Company's Integrated facility management (IFM) business. The Company performed an impairment analysis for its IFM business and considered the impact of Corona virus (COVID-19) pandemic and uncertainties in future economic condition caused by the pandemic in the determination of recoverable amounts. Consequent to the impairment analysis, the Company impaired INR 2,787.83 million of goodwill and INR 677.68 million of intangible assets during the year ended 31 March 2020 as shown in the table below. The impairment is presented as an exceptional item in the statement of profit and loss.

(Amount in INR millions)

Particulars	Carrying value as on the date of impairment testing	Impairment	Carrying value as on 31 March 2020
Goodwill	5,565.56	2,787.83	2,777.73
Customer relationships	677.78	677.68	-

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 Company considered both internal and external information as appropriate. The Company 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 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 each CGU. The growth in revenue estimations used in the impairment testing for the year ended 31 March 2020 was in the range of -10.00% to 15.00% (31 March 2019: 15.00% to 20.00%). The operating margin estimations used in the impairment testing for the year ended 31 March 2020 was in the range of 7.41% to 8.75% (31 March 2019: 7.44% to 12.54%).

The range of other key assumptions used by the Company for impairment assessment are captured in the table below for year ended 31 March 2020.

CGU	Pre-tax discount rate	Terminal growth rate
Integrated facility management	29.15%	4.00%

The range of other key assumptions used by the Company for impairment assessment are captured in the table below for year ended 31 March 2019.

CGU	Pre-tax discount rate	Terminal growth rate
Integrated facility management	27.89%	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 will result in additional impairment of INR 175.52 million.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 5 Non-current investments

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Unquoted</b>		
<b>Investment carried at cost</b>		
<b>Investments in equity instruments of subsidiaries</b>		
86,000 (31 March 2019: 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 2019: 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 2019: 7,000,100) Common Shares of Brainhunter Systems Limited, fully paid up*	17.51	17.51
1 (31 March 2019: 1) Common Stock of Quess Corp (USA) Inc. Of US 100,000 each, fully paid-up	6.25	6.25
45,269,608 (31 March 2019: 41,270,076) ordinary shares of Quesscorp Holdings Pte. Ltd of SGD 1.00 each, fully paid-up* (refer note 5.1)	2,287.36	2,053.38
10,000 (31 March 2019: 10,000) fully paid up equity shares of par value of INR 10.00 each of Dependo Logistics Solutions Private Limited	0.10	0.10
10,000 (31 March 2019: 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
161,524 (31 March 2019: 127,458) fully paid up equity shares of par value of INR 10.00 each of Vedang Cellular Services Private Limited* (refer note 5.2)	484.13	399.76
Less: Impairment loss allowance (refer note 5.12)	(297.41)	-
	186.72	399.76
104,624,705 (31 March 2019: 46,669,336) 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 5.3)	3,453.28	1,522.20
1,000,000 (31 March 2019: 700,000) fully paid up equity shares of par value of INR 10.00 each of Golden Star Facilities and Services Private Limited* (refer note 5.4)	778.57	378.57
Less: Impairment loss allowance (refer note 5.12)	(385.71)	-
	392.86	378.57
49,998 (31 March 2019: 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 2019: 720,000) fully paid up equity shares of par value of INR 10.00 each of Greenpiece landscapes India Private Limited* (refer note 5.5)	244.81	216.80
Less: Impairment loss allowance (refer note 5.12)	(244.81)	-
	-	216.80
5,349,644 (31 March 2019: 5,000,000) fully paid up equity shares of par value of INR 10.00 each of Qdigi Services Limited* (refer note 5.6)	352.00	302.00
12,405 (31 March 2019: 12,405) fully paid up equity shares of par value of INR 10.00 each of Simpliance Technologies Private Limited (refer note 5.7)	45.00	45.00
42,000 (31 March 2019: nil) fully paid up equity shares of par value of Taka 10.00 each of Quess Services Limited (refer note 5.8)	3.49	-
10,000 (31 March 2019: nil) fully paid up equity shares of par value of INR 10.00 each of Trimax Smart Infraprojects Private Limited (refer note 5.9)	130.05	-
Less: Impairment loss allowance (refer note 5.12)	(130.05)	-
	-	-
Investment in MFXchange Holdings Inc.*	22.76	-

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 5 Non-current investments (Contd..)

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Others</i>		
Investment in Quess Corp Vietnam Limited Liability Company (refer note 5.10)	13.06	13.06
<b>Investment in equity instruments of associates</b>		
245,000 (31 March 2019: 245,000) fully paid up equity shares of par value of INR 10.00 each of Terrier Security Services (India) Private Limited*	722.20	722.20
13,612 (31 March 2019: 13,612) fully paid up equity shares of par value of INR 10.00 each of Heptagon Technologies Private Limited	112.70	112.70
Nil (31 March 2019: 5,100) fully paid up equity shares of par value of INR 10.00 each of Trimax Smart Infraprojects Private Limited (refer note 5.9)	-	0.05
1,035,000 (31 March 2019: 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 5.11)	100.35	100.35
Less: Impairment loss allowance (refer note 5.12)	(100.35)	-
	-	100.35
<b>Investment in compulsorily convertible debentures (refer note 5.13 and 47)</b>		
14,700,000 (31 March 2019: nil) fully paid up compulsorily convertible debentures of par value of INR 100 each of Conneqt Business Solutions Limited (refer note 5.3)	1,470.00	-
4,025 (31 March 2019: nil) fully paid up compulsorily convertible debentures of par value of INR 100,000 each of Excelus Learning Solutions Private Limited	402.50	-
120,612 (31 March 2019: nil) fully paid up compulsorily convertible debentures of par value of INR 1,000 each of MFX Infotech Private Limited	120.61	-
72,230 (31 March 2019: nil) 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 2019: nil) fully paid up compulsorily convertible debentures of par value of INR 1,000 each of Greenpiece Landscapes India Private Limited	84.43	-
Less: Impairment loss allowance (refer note 5.12)	(84.43)	-
	-	-
6,942 (31 March 2019: nil) fully paid up compulsorily convertible debentures of par value of INR 10 each of Monster.com (India) Private Limited	239.85	-
1,103 (31 March 2019: nil) fully paid up compulsorily convertible debentures of par value of INR 10 each of Dependo Logistics Solutions Private Limited	120.78	-
129,000 (31 March 2019: nil) fully paid up compulsorily convertible debentures of par value of INR 10,000 each of Trimax Smart Infraprojects Private Limited	1,290.00	-
Less: Impairment loss allowance (refer note 5.12)	(268.24)	-
	1,021.76	-
<b>Total non-current investments</b>	<b>12,036.12</b>	<b>6,863.03</b>
Aggregate value of unquoted investments	13,547.12	6,863.03
Aggregate amount of impairment in value of investments	(1,511.00)	-

**5.1** During the year ended 31 March 2020, the Company invested INR 205.94 million as additional investment in Quesscorp Holdings Pte. Ltd.

**5.2** During the year ended 31 March 2020, the Company acquired additional 18.71% equity stake in Vedang Cellular Services Private Limited ("VCSP") at a consideration of 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 2020, the Company holds 88.71% equity stake in VCSP.



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

- 5.3** 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 Intercompany 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.
- 5.4** 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.
- 5.5** 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.
- 5.6** During the previous year ended 31 March 2019, the Company acquired 100.00% equity stake in HCL Computing Products Limited ("HCPL") at a consideration of INR 304.18 million and therefore HCPL has become the subsidiary of the Company. The name of HCPL has been changed to Qdigi Services Limited w.e.f. 21 February 2018. During the year ended March 2020, the Company additionally invested INR 50.00 million as investment in Qdigi Services Limited.
- 5.7** During the year ended 31 March 2019, the Company entered into an agreement (amendment to the original share subscription agreement dated 19 October 2016) with Simpliance Technologies Private Limited ("STPL") to subscribe for additional 8.00% equity stake at a consideration of INR 20.00 million. Consequent to this, the Company's equity stake increased to 53.00% and STPL become the subsidiary of the Company.
- 5.8** During the year ended 31 March 2020, the Company invested INR 3.49 million in Quess Services limited.
- 5.9** During the year ended 31 March 2020, the Company acquired balance 49.00% equity stake in Trimax Smart Infraprojects Private Limited ("TSIPL") at a consideration of INR 130.00 million and TSIPL has become 100.00% subsidiary of the Company.
- 5.10** During the year ended 31 March 2019, the Company invested INR 13.06 million in Quess Corp Vietnam Limited Liability Company.
- 5.11** During the year ended 31 March 2019, the Company had entered into a Share Purchase Agreement ("SPA") dated 5 July 2018 with Quess East Bengal FC Private Limited ("QEBFC") and its shareholders to subscribe for 70.00% shares for a consideration of INR 100.35 million.
- 5.12** The Company based on the performance of certain subsidiaries performed an impairment analysis and considered the impact of Corona virus (COVID-19) pandemic and uncertainties in future economic condition in the determination of recoverable amounts. Consequently, the Company recognised an impairment provision of INR 1,511.00 million in statement of profit and loss for the quarter and year ended 31 March 2020 and shown this as exceptional items in these financial statements (refer note 4.1).
- The recoverable amounts was determined based on discounted cash flows. 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 Company considered both internal and external information as appropriate. The Company will continue to monitor future economic conditions for any significant changes to key assumptions. If the assumptions considered in the value in use analysis 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.
- 5.13** 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.

\* Investments include interest on corporate guarantee given to subsidiaries amounting to INR 106.09 million (31 March 2019: INR 55.29 million).

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 6 Non-current loans

(Amount in INR millions)

Particulars	As at	As at
	31 March 2020	31 March 2019
<i>Loans receivable considered good - unsecured</i>		
Security deposits*	379.13	285.11
Loans to subsidiaries (refer note 43 and 48)	126.08	684.89
Less: Impairment loss allowance (refer note 6.1 and 36)	(41.81)	-
	<b>84.27</b>	<b>684.89</b>
Loans to associates (refer note 43 and 48)	1,130.20	1,743.72
Less: Impairment loss allowance (refer note 6.2 and 36)	(242.86)	-
	<b>887.34</b>	<b>1,743.72</b>
	<b>1,350.74</b>	<b>2,713.72</b>

\*Security deposits include deposits given for premises taken under leases, electricity and water connections.

- 6.1** The Company based on the performance of certain subsidiaries performed an impairment analysis and considered the impact of Corona virus (COVID-19) pandemic and uncertainties in future economic condition in the determination of recoverable amounts. Consequently, 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 for the year ended 31 March 2020 and disclosed this as an exceptional item in the statement of profit and loss.

As described in note 5.12 above, the Company will continue to monitor future economic conditions for any significant changes to key assumptions. If the assumptions considered in the value in use analysis 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.

- 6.2** 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 and investments made in this associate and recognised an impairment charge of INR 242.86 million and INR 100.35 million in the statement of profit and loss respectively, and disclosed as an exceptional item in the statement of profit and loss.

## 7 Other non-current financial assets

(Amount in INR millions)

Particulars	As at	As at
	31 March 2020	31 March 2019
Bank deposits (due to mature after 12 months from the reporting date)*	-	52.05
Interest receivable from related parties (refer note 43)	87.70	120.96
Due from related parties (refer note 43 and 48)	-	132.58
	<b>87.70</b>	<b>305.59</b>

\*Fixed deposits to the tune of INR Nil (31 March 2019: INR 52.05 million) are lien marked.

## 8 Taxes

### A Amount recognised in profit or loss

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Current tax:</b>		
In respect of the current year	-	(543.37)
Excess provision related to prior years	-	(51.77)

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 8 Taxes (Contd..)

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Deferred tax:</b>		
<i>Attributable to:</i>		
Origination and reversal of temporary differences	(294.46)	390.81
<b>Income tax expense reported in the standalone statement of profit and loss</b>	<b>(294.46)</b>	<b>(204.33)</b>

### B Income tax recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Re-measurement of the net defined benefit liability/ asset:		
Before tax	(68.42)	(26.05)
Tax expense	17.20	10.67
<b>Net of tax</b>	<b>(51.22)</b>	<b>(15.38)</b>

### 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 2020	31 March 2019
(Loss)/profit before tax	(3,074.61)	2,544.66
Tax using the Company's domestic tax rate of March 2020 - 25.168% (March 2019 - 34.944%)	773.82	(889.21)
<b>Effect of:</b>		
Exceptional items (impairment of goodwill, intangible assets, investments and loans given to related party; refer note 36)	(1,324.13)	-
Non-deductible expenses	(5.04)	(5.87)
80JJAA tax incentives	740.60	786.31
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	-	(51.77)
Others	(7.13)	(43.79)
<b>Income tax expense reported in the standalone statement of profit and loss</b>	<b>(294.46)</b>	<b>(204.33)</b>

\*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 impairment has been adjusted to statement of profit and loss through tax expenses (refer note 4.1).

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## E The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	5,569.90	4,581.50
Income tax liabilities	(2,671.45)	(2,575.23)
<b>Net income tax assets as at the end of the year</b>	<b>2,898.45</b>	<b>2,006.27</b>

## F Deferred tax assets (net)

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax assets/(liabilities) are attributable to the following:</b>		
Impairment loss allowance on financial assets	96.63	132.14
Provision for employee benefits	260.65	243.20
Provision for disputed claims	44.48	20.53
Provision for rent escalation	-	2.08
MAT credit entitlement	-	1,239.45
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	1,027.71	1,080.46
Property, plant and equipment and intangible assets	(18.37)	(80.98)
Goodwill on merger	(179.49)	(981.33)
Customer relationships	95.69	(92.27)
Others	57.48	98.75
<b>Net deferred tax assets</b>	<b>1,384.78</b>	<b>1,662.03</b>

The movement of deferred tax aggregating to INR 277.25 million for the year ended 31 March 2020 (31 March 2019: INR 254.35 million) comprises INR 294.45 million credited (31 March 2019: INR 243.68 million credited) to standalone statement of profit and loss and INR 17.20 million (31 March 2019: INR 10.67 million) charged to other comprehensive income.

## 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 2020	Opening balance	Addition through business combination	Recognised in profit or loss*	Recognised in OCI	Closing balance
<b>Deferred tax liability on:</b>					
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
<b>Deferred tax liabilities</b>	<b>(1,154.58)</b>	<b>-</b>	<b>1,052.41</b>	<b>-</b>	<b>(102.17)</b>
<b>Deferred tax assets on:</b>					
Impairment 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
<b>Deferred tax assets</b>	<b>2,816.61</b>	<b>-</b>	<b>(1,346.86)</b>	<b>17.20</b>	<b>1,486.95</b>
<b>Net deferred tax assets</b>	<b>1,662.03</b>	<b>-</b>	<b>(294.45)</b>	<b>17.20</b>	<b>1,384.78</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

(Amount in INR millions)

For the year ended 31 March 2019	Opening balance	Addition through business combination	Recognised in profit or loss*	Recognised in OCI	Closing balance
<b>Deferred tax liability on:</b>					
Property, plant and equipment and intangible assets	(92.33)	16.65	(5.30)	-	(80.98)
Goodwill on merger	(657.90)	-	(323.43)	-	(981.33)
Customer relationships	(68.78)	(4.51)	(18.98)	-	(92.27)
<b>Deferred tax liabilities</b>	<b>(819.01)</b>	<b>12.14</b>	<b>(347.71)</b>	<b>-</b>	<b>(1,154.58)</b>
<b>Deferred tax assets on:</b>					
Impairment loss allowance on financial assets	130.44	5.99	(4.29)	-	132.14
Provision for employee benefits	159.25	10.63	62.65	10.67	243.20
Provision for disputed claims	14.01	17.59	(11.07)	-	20.53
Provision for rent escalation	2.03	-	0.05	-	2.08
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	915.83	-	164.63	-	1,080.46
MAT credit entitlement	835.22	16.40	387.83	-	1,239.45
Others	24.49	82.67	(8.41)	-	98.75
<b>Deferred tax assets</b>	<b>2,081.27</b>	<b>133.28</b>	<b>591.39</b>	<b>10.67</b>	<b>2,816.61</b>
<b>Net deferred tax assets</b>	<b>1,262.26</b>	<b>145.42</b>	<b>243.68</b>	<b>10.67</b>	<b>1,662.03</b>

\*includes deferred tax related to earlier periods which is accounted under tax relating to earlier years in the standalone statement of profit and loss.

The Company does not have any unrecognised deferred tax assets and any carried forward tax losses.

## 9 Other non-current assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	4.45	8.56
<b>Advances other than capital advances</b>		
Taxes paid under protest (refer note 41)	29.71	29.72
Provident fund payments made under protest (refer note 41)	10.72	10.72
Prepaid expenses	20.17	13.40
	<b>65.05</b>	<b>62.40</b>

## 10 Inventories

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Valued at lower of cost and net realizable value</i>		
Raw material and consumables	63.45	58.96
Stores and spares	39.08	49.72
	<b>102.53</b>	<b>108.68</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 11 Current investments

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Quoted</b>		
<b>Investments at Fair value through profit or loss</b>		
Investments in liquid mutual fund units	-	384.68
	-	<b>384.68</b>

### Details of investments in liquid mutual funds

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Nil units (March 2019: 3,409.64 units) HDFC Liquid Fund - Regular Plan Growth	-	12.49
Nil units (March 2019: 6,927.39 units) HDFC Liquid Fund - Direct Plan Growth	-	25.49
Nil units (March 2019: 1,027.26 units) HSBC Cash Fund - Growth	-	1.90
Nil units (March 2019: 32,770.79 units) ICICI Flexible Income Plan - Direct Growth	-	11.84
Nil units (March 2019: 11,630.20 units) ICICI Flexible Income Plan - Growth	-	4.17
Nil units (March 2019: 1,015,044.17 units) ICICI Prudential Liquid Plan - Growth	-	279.56
Nil units (March 2019: 73,294.51 units) ICICI Prudential Liquid Plan - Direct Growth	-	20.26
Nil units (March 2019: 2,005.39 units) IDFC Cash Fund Growth Direct Plan	-	4.55
Nil units (March 2019: 8,338.53 units) SBI Premier Liquid Fund - Direct Plan Growth	-	24.42
	-	<b>384.68</b>
Aggregate amount of quoted investments	-	384.68
Aggregate market value of quoted investments	-	384.68

## 12 Trade receivables

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Unsecured</b>		
Considered good*	5,133.03	5,812.89
Less: Allowance for expected credit losses	(383.94)	(431.06)
<b>Net trade receivables</b>	<b>4,749.09</b>	<b>5,381.83</b>

Of the above, trade receivables from related party are as below:

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables from related parties	457.11	1,016.72
Less: Allowance for expected credit losses	(119.21)	(111.01)
<b>Net trade receivables</b>	<b>337.90</b>	<b>905.71</b>

\*The Company through a subcontracting arrangement with its associate, Trimax Smart Infraprojects Private Limited ("TSIPL") provides hardware, software, maintenance and technical support to Trimax IT Infrastructure & Services Limited ("Trimax"). The joint venture partner, Trimax, executed an agreement with Smart City Ahmedabad Development Limited ("SCADL") a government undertaking, in 2017 for supply, installation, commissioning and operation and maintenance for a Pan CIT infrastructure and intelligent command and control centre for the Ahmedabad Smart City ("Project"). As per the Tripartite agreement between TSIPL, Trimax and Axis Bank ("Escrow Agent"), amounts recoverable from SCADL will be deposited into an escrow account and 99.00% of the money received will be paid to TSIPL. TSIPL will utilize the proceeds to settle the obligation of the Company. On 21 February 2019, the Hon'ble National Company

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 12 Trade receivables (Contd..)

Law Tribunal ("NCLT"), Mumbai Bench ordered the commencement of Corporate Insolvency Resolution Process (CIRP) for Trimax based on a petition filed by Corporation Bank which had declared Trimax as an NPA on 31 March 2018.

During the year ended 31 March 2020, the Company, TSIPL and Trimax has entered into a Settlement cum Share Purchase Agreement ("SSPA") dated 15 October 2019 with the approval of Committee of Creditors ("CoC"). SSPA inter-alia provides for (i) Trimax IT's Agreement with SCADL shall be unconditionally and irrevocably assigned in favour of TSIPL (ii) TSIPL would be owner of 100.00% of rights to the escrow account (iii) Acquisition of remaining 49.00% stake in TSIPL by Company from Trimax for a purchase consideration of INR 130.00 million. Consequently, as per the SSPA, the Company acquired remaining 49.00% equity stake in TSIPL and TSIPL has become 100% subsidiary of the Company.

During the year ended 31 March 2020, SCADL has remitted INR 306.08 million (net of TDS) to Escrow and a total of INR 381.00 million has been transferred from Escrow account to TSIPL bank account and then to Company's bank account. As at 31 March 2020, the Company has outstanding trade receivables of INR 1,157.00 million from SCADL.

For terms and conditions of trade receivables owing from related parties refer note 43.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 38.

## 13 Cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	3.95	2.81
Balances with banks		
In current accounts	3,898.95	3,393.34
In deposit accounts (with original maturity of less than 3 months)	-	-
<b>Cash and cash equivalents as per standalone balance sheet</b>	<b>3,902.90</b>	<b>3,396.15</b>

## 14 Bank balances other than cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts (maturity within 12 months from the reporting date)*	363.39	761.30
	<b>363.39</b>	<b>761.30</b>

\*Fixed deposits to the tune of INR 363.39 million (31 March 2019: INR 533.67 million) are lien marked.

## 15 Current loans

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Loans receivable considered good - unsecured</i>		
Security deposits*	62.43	49.17
<i>Other loans and advances</i>		
Loans to employees**	22.84	22.83
Loans to subsidiaries (refer note 43 and 48)	-	1,020.75
Loans to associates (refer note 43 and 48)	342.16	225.00
	<b>427.43</b>	<b>1,317.75</b>

\* 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.



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 16 Unbilled revenue

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Unbilled revenue*	6,227.96	4,610.93
Less: Allowance for expected credit losses	(8.00)	(8.00)
	<b>6,219.96</b>	<b>4,602.93</b>

\*includes unbilled revenue billable to related parties INR 127.36 (31 March 2019: INR 71.72 million; refer note 43).

## 17 Other current financial assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	1.42	7.39
Interest receivable from related parties (refer note 43)	42.96	40.78
Due from related parties (refer note 43 and 48)	86.05	43.79
	<b>130.43</b>	<b>91.96</b>

## 18 Other current assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Advances other than capital advances</b>		
Advances to suppliers	134.33	111.77
Travel advances to employees	6.83	19.71
Other advances	76.34	57.28
Prepaid expenses	250.19	157.30
Balances with government authorities (refer note 41)	11.55	12.51
	<b>479.24</b>	<b>358.57</b>

## 19 Equity share capital

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
200,000,000 (31 March 2019: 200,000,000) equity shares of par value of INR 10.00 each	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and paid-up</b>		
147,510,694 (31 March 2019: 146,084,833) equity shares of par value of INR 10.00 each, fully paid up	1,475.11	1,460.85
	<b>1,475.11</b>	<b>1,460.85</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount in INR millions	Number of shares	Amount in INR millions
<b>Equity shares</b>				
At the commencement of the year	146,084,833	1,460.85	145,484,178	1,454.84
Add: Shares issued on exercise of employee stock options (refer note 46)	538,680	5.39	600,655	6.01
Add: Shares issued on preferential allotment basis [refer note (i)]	754,437	7.54	-	-
Less: Cancellation of shares held by TCIL [refer note (ii)]	(71,323,496)	(713.23)	-	-
Add: Shares issued on acquisition of TCIL business [refer note (iii)]	71,456,240	714.56	-	-
<b>At the end of the year</b>	<b>147,510,694</b>	<b>1,475.11</b>	<b>146,084,833</b>	<b>1,460.85</b>

- (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 previous 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 Qess 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:

Name of the Shareholder	Prior to implementation of Scheme		Post implementation of Scheme	
	No of Shares	Holding (%)	No of Shares	Holding (%)
Ajit Isaac	17,728,674	12.07%	17,728,674	12.02%
Isaac Enterprises Private Limited	15,365,824	10.46%	15,365,824	10.42%
Thomas Cook (India) Limited	71,323,496	48.57%	-	-
Fairbridge Capital (Mauritius) Limited*	-	-	46,876,237	31.78%
HWIC Asia Fund	748,100	0.51%	748,100	0.51%
Public	41,692,271	28.39%	66,791,859	45.27%
<b>Total</b>	<b>146,858,365</b>	<b>100.00%</b>	<b>147,510,694</b>	<b>100.00%</b>

\*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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

- (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 each. The proceeds from IPP is INR 8,475.49 million (net of issue expenses).

Details of utilisation of IPP proceeds are as follows:

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	62,500.00	62,500.00	-
Funding incremental working capital requirement of the Company	15,000.00	15,000.00	-
General corporate purpose	7,254.90	7,254.90	-
<b>Total</b>	<b>84,754.90</b>	<b>84,754.90</b>	<b>-</b>

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..

## 19.2 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.

## 19.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
<b>Equity shares</b>				
Equity shares of par value of INR 10.00 each				
Thomas Cook (India) Limited	-	-	71,323,496	48.82%
Fairbridge Capital (Mauritius) Limited	46,876,237	31.78%	-	-
Ajit Isaac	17,947,523	12.17%	17,654,674	12.09%
Net Resource Investments Private Limited*	-	-	15,365,824	10.52%
Issac Enterprises Private limited*	15,365,824	10.42%	-	-
Aditya Birla Sun Life Trustee Private Limited	9,572,569	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.

- 19.4 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 has issued equity shares under Employee Stock option plan for which only exercise price has been received in cash as below (refer note 46)

(Values in numbers)

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Bonus shares issued	-	-	-	-	85,001,292
Shares issued on exercise of employee stock options (refer note 46)	538,680	600,655	619,925	837,608	-

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 20 Other equity\*

(Amount in INR millions)

Particulars	As at	As at
	31 March 2020	31 March 2019
Securities premium (refer note 20.1)	16,984.51	16,851.09
Stock options outstanding account (refer note 20.2)	134.98	116.21
Capital reserve (refer note 20.3)	1,241.28	1,006.44
Debenture redemption reserve (refer note 20.4)	103.13	168.75
General reserve	21.56	21.56
Other comprehensive income (refer note 20.5)	(79.16)	(28.01)
Retained earnings	3,303.38	6,613.51
	<b>21,709.68</b>	<b>24,749.55</b>

\*For detailed movement of reserves refer Standalone Statement of Changes in Equity.

### 20.1 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, 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 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.

### 20.2 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.

### 20.3 Capital reserve

During the year ended 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 current 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.

### 20.4 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 (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. As of 31 March 2020 the DRR balance was INR 103.13 million (31 March 2019: INR 168.75 million).

### 20.5 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).

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 21 Non-current borrowings

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Secured</i>		
Non-convertible debentures (refer note 21.1 and 21.2)	-	1,489.47
<b>Total non-current borrowings</b>	<b>-</b>	<b>1,489.47</b>

Information about the Company's exposure to interest rate and liquidity risk is included in note 38.

### Terms of repayment schedule

21.1 Terms and condition of outstanding borrowings are as follows:

(Amount in INR millions)

Particulars	Coupon/ Interest rate	Year of maturity	Carrying amount as at 31 March 2020	Carrying amount as at 31 March 2019
Secured non-convertible debentures	8.50%	2022	-	1,489.47
<b>Total borrowings</b>			<b>-</b>	<b>1,489.47</b>

### 21.2 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 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.

(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)
<b>Net proceeds</b>	<b>1,482.77</b>
Add: Accrued interest	0.54
<b>Carrying amount of liability at 31 March 2017</b>	<b>1,483.31</b>
Add: Accrued interest	2.96
<b>Carrying amount of liability at 31 March 2018</b>	<b>1,486.27</b>
Add: Accrued interest	3.20
<b>Carrying amount of liability at 31 March 2019</b>	<b>1,489.47</b>
Add: Accrued interest	8.62
Less: Redeemed during the year (refer note 20.4)	(750.00)
Less: Reclassed to current maturities of long-term borrowings (refer note 26)	(748.09)
<b>Carrying amount of liability at 31 March 2020</b>	<b>-</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 22 Lease liability

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current lease liability	543.60	-
Current lease liability	188.34	-
	<b>731.94</b>	<b>-</b>

Transition Effective 1 April 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right-of-use assets at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statements for year ended 31 March 2019. On transition, the adoption of the new standard resulted in recognition of Right-of-use assets of INR 512.37 million, and a lease liability of INR 520.42 million. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the movement in lease liabilities:

(Amount in INR millions)

Particulars	For the year ended 31 March 2020
Operating lease recognised on adoption of Ind AS 116	520.42
Add: Additions through business combination	5.50
Add: Additions	410.39
Less: Deletions	(22.37)
Add: Finance cost accrued during the period	71.40
Less: Repayment of lease liabilities	(253.40)
Add: Translation exchange difference	-
<b>Balance as at 31 March 2020</b>	<b>731.94</b>

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

(Amount in INR millions)

Particulars	For the year ended 31 March 2020
Less than one year	249.53
One to five years	524.58
More than five years	146.83

## 23 Non-current provisions

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 44)	1,013.50	691.92
Provision for compensated absences (refer note 44)	-	2.16
<b>Others</b>		
Provision for disputed claims (refer note 23.1)	111.98	111.98
Provision for rent escalation	-	5.86
	<b>1,125.48</b>	<b>811.92</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 23.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 are as follows:

Provision for disputed claims (refer note 41)

Particulars	(Amount in INR millions)	
	For the year ended	
	31 March 2020	31 March 2019
<b>Balance as at the beginning of the year</b>	<b>111.98</b>	<b>40.50</b>
Additions through business combination (refer note 50)	-	53.21
Provision recognised	-	18.27
<b>Balance as at the end of the year</b>	<b>111.98</b>	<b>111.98</b>

### Disputed claims

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.

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 has appealed against the ruling which is pending with the Joint Commissioner of Commercial Taxes [JCCT (A)] Bangalore. The Company has 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.

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 36.06 million has been recognised as contingent liability.

## 24 Current borrowings

Particulars	(Amount in INR millions)	
	As at	As at
	31 March 2020	31 March 2019
Loans from bank repayable on demand		
<i>Secured</i>		
Cash credit and overdraft facilities (refer note 24.1)	138.55	2,132.59
Working capital loan (refer note 24.2)	7,629.33	2,074.00
	<b>7,767.88</b>	<b>4,206.59</b>



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

**24.1** 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.

**24.2** The Company has taken working capital loan from banks having interest rate ranging from 7.75% 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.

## 25 Trade payables

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 45)	-	-
Trade payables to related parties (refer note 43)	38.60	67.11
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	512.84	524.72
	<b>551.44</b>	<b>591.83</b>

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 38.

## 26 Other current financial liabilities

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings*	748.09	0.36
Interest accrued and not due	37.45	28.81
Financial guarantee liability	41.48	22.04
Capital creditors	8.02	17.93
<b>Other payables</b>		
Accrued salaries and benefits	1,458.65	2,030.69
Provision for bonus and incentive	218.30	210.91
Provision for expenses**	790.38	672.72
Uniform deposits	2.38	5.96
Amount payable to related parties (refer note 43)	3.47	3.37
	<b>3,308.22</b>	<b>2,992.79</b>

\*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%. The outstanding balance as at 31 March 2019 is towards the vehicle loan taken from Mahindra Financial Services Limited, Kotak Mahindra Bank Limited and Kotak Mahindra Prime which has been fully repaid during the current year.

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 38.

\*\*Includes related party balances INR 100.99 million (31 March 2019: INR 51.93 million; refer note 43)

## 27 Current provisions

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>		
Provision for compensated absences (refer note 44)	22.14	28.38
	<b>22.14</b>	<b>28.38</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 28 Other current liabilities

(Amount in INR millions)

Particulars	As at	As at
	31 March 2020	31 March 2019
Unearned revenue	11.83	4.66
Advance received from customers	8.51	8.51
Balances payable to government authorities	2,076.85	1,351.68
Provision for rent escalation	-	0.09
	<b>2,097.19</b>	<b>1,364.94</b>

## 29 Revenue from operations

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<i>Revenues from business segments*</i>		
Workforce management	62,952.13	43,139.86
Operating asset management	13,834.40	13,534.82
Tech services	615.79	273.21
	<b>77,402.32</b>	<b>56,947.89</b>

\*Consequent to an internal reorganization, the Company with effect from 1 April 2019, has changed the business segments 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. 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 and after-sales support services have been presented as a new reportable segment 'Tech services' which was previously included under 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	As at
	31 March 2020	31 March 2019
Receivables, which are included in 'Trade and other receivables'	4,749.09	5,381.83
Unbilled revenue	6,219.96	4,602.93
Unearned revenue	11.83	4.66

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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

The following table discloses the movement in unbilled revenue balances:

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Balance as at the beginning of the year	4,602.93	3,188.89
Add: Addition through business combinations	-	34.12
Add: Revenue recognized during the year	5,291.73	3,865.52
Less: Invoiced during the year	(3,641.72)	(2,460.40)
Less : Impairment / (reversal) during the year	(32.98)	(25.20)
<b>Balance as at the end of the year</b>	<b>6,219.96</b>	<b>4,602.93</b>

The following table discloses the movement in unearned revenue balances:

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Balance as at the beginning of the year	4.66	5.64
Less: Revenue recognized during the year	(47.52)	(38.00)
Add: Invoiced during the year but not recognized as revenue during the year	54.69	37.02
<b>Balance as at the end of the year</b>	<b>11.83</b>	<b>4.66</b>

## (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 2020, other than those meeting the exclusion criteria mentioned above, is INR 1,949.97 million (31 March 2019: INR 281.31 million). Out of this, the Company expects to recognize revenue of around 50.00% (31 March 2019: 58.00%) within the next one year and the remaining thereafter.

## 30 Other income

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Interest income under the effective interest rate method on:		
Deposits with banks	68.75	126.00
Amortised cost adjustments for financial instruments	38.22	22.23
Interest on tax refunds received	1.86	26.41
Profit on sale of property, plant and equipment and intangible assets	2.26	0.40
Interest on loans given to related parties (refer note 43)	292.06	247.32
Interest income from investments in debentures of related parties (refer note 43)	65.75	-
Net gain on sale of investments in mutual funds	48.46	81.53
Liabilities no longer required written back	0.03	0.24
Bad debts recovered	-	0.10
Net fair value loss on mutual funds	(44.58)	(44.27)
Miscellaneous income	2.65	5.48
	<b>475.46</b>	<b>465.44</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 31 Cost of material and stores and spare parts consumed

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Inventory at the beginning of the year	108.68	65.14
Add: Addition through business combinations	-	4.22
Add: Purchases	1,303.39	1,436.72
Less: Inventory at the end of the year	(102.53)	(108.68)
<b>Cost of materials and stores and spare parts consumed</b>	<b>1,309.54</b>	<b>1,397.40</b>

## 32 Employee benefit expenses

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Salaries and wages	61,343.34	42,849.67
Contribution to provident and other funds	6,176.55	4,417.76
Expenses related to post-employment defined benefit plan	281.57	238.13
Expenses related to compensated absences	(4.65)	2.48
Staff welfare expenses	99.05	110.53
Expense on employee stock option scheme	18.77	46.36
	<b>67,914.63</b>	<b>47,664.93</b>

## 33 Finance costs

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Interest expense on financial liabilities at amortised cost	753.09	426.98
Interest expense on non-convertible debentures	121.20	191.43
Interest expense on lease liabilities	71.40	-
Other borrowing costs	22.30	18.25
	<b>967.99</b>	<b>636.66</b>

## 34 Depreciation and amortisation expense

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Depreciation of property, plant and equipment [refer note 3 (a)]	189.07	189.41
Depreciation of rights-of-use-assets [refer note 3 (b)]	231.10	-
Amortisation of intangible assets [refer note 4]	236.01	264.61
	<b>656.18</b>	<b>454.02</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 35 Other expenses

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Sub-contractor charges	1,273.27	1,307.86
Recruitment and training expenses	642.25	510.39
Rent (refer note 22)	191.84	311.07
Power and fuel	115.48	107.72
Repairs & maintenance		
- buildings	88.02	107.14
- plant and machinery	175.26	65.24
- others	237.85	169.47
Legal and professional fees (refer note 35.1)	264.32	287.69
Rates and taxes	93.59	42.38
Printing and stationery	75.71	73.26
Stores and tools consumed	130.30	410.23
Travelling and conveyance	415.76	405.25
Communication expenses	83.12	90.19
Loss allowance on financial assets, net [refer note 38(ii)]	55.98	124.60
Equipment hire charges	102.10	121.41
Insurance	269.02	100.24
Database access charges	39.74	23.68
Bank charges	3.61	11.49
Business promotion and advertisement expenses	450.24	307.78
Loss on sale of fixed assets, net	35.64	-
Foreign exchange loss, net	21.79	68.21
Expenditure on corporate social responsibility (refer note 35.2)	40.00	33.36
Deposits/advances written-off	-	4.07
Miscellaneous expenses	37.98	32.93
	<b>4,842.87</b>	<b>4,715.66</b>

### 35.1 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 2020	31 March 2019
Statutory audit fees	4.40	4.40
Limited reviews	2.00	1.50
Tax audit fees	0.30	0.20
Others	1.50	2.10
Reimbursement of expenses	0.92	0.16
	<b>9.12</b>	<b>8.36</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 35.2 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% 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 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	38.56	30.19
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than i) above	40.00	33.36

## 36 Exceptional items

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Impairment loss allowance on:		
Goodwill (refer note 4)	2,787.83	-
Intangible assets (refer note 4)	677.68	-
Investment in equity instruments of subsidiaries (refer note 5)	1,158.33	-
Investment in compulsorily convertible debentures (refer note 5)	352.67	-
Loans given to related party (refer note 6)	284.67	-
	<b>5,261.18</b>	<b>-</b>

## 37 Financial instruments - fair value and risk management

### Financial instruments by category

(Amount in INR millions)

Particulars	Note	31 March 2020			31 March 2019		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets:							
Non-current investments	5	-	-	12,036.12	-	-	6,863.03
Loans	6 & 15	-	-	1,778.17	-	-	4,031.47
Current investments	11	-	-	-	384.68	-	-
Trade receivables	12	-	-	4,749.09	-	-	5,381.83
Cash and cash equivalents including other bank balances	13 & 14	-	-	4,266.29	-	-	4,157.45
Unbilled revenue	16	-	-	6,219.96	-	-	4,602.93
Other financial assets	7 & 17	-	-	218.13	-	-	397.55
Total financial assets		-	-	29,267.76	384.68	-	25,434.26
Financial Liabilities:							
Non-convertible debentures	21	-	-	-	-	-	1,489.47
Borrowings other than above*	21 & 24	-	-	7,767.88	-	-	4,206.59
Trade payables	25	-	-	551.44	-	-	591.83
Other financial liabilities	26	-	-	3,308.22	-	-	2,992.79
Total financial liabilities		-	-	11,627.54	-	-	9,280.68

\*Current maturities of long-term borrowings forms part of other financial liabilities.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 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:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the standalone financial statements.

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 2020	Level 1	Level 2	Level 3
Financial assets not measured at fair value					
Loans	6 & 15	1,778.17	-	-	-
Trade receivables	12	4,749.09	-	-	-
Cash and cash equivalents including other bank balances	13 & 14	4,266.29	-	-	-
Unbilled revenue	16	6,219.96	-	-	-
Other financial assets	7 & 17	218.13	-	-	-
Financial assets measured at fair value					
Current investments	11	-	-	-	-
Total financial assets		17,231.64	-	-	-
Financial liabilities not measured at fair value					
Non-convertible debentures	21	748.09	748.09	-	-
Borrowings other than above*	21 & 24	7,767.88	-	-	-
Trade payables	25	551.44	-	-	-
Other financial liabilities	26	2,560.13	-	-	-
Total financial liabilities		11,627.54	748.09	-	-

\*Current maturities of long-term borrowings forms part of other financial liabilities

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2019	Level 1	Level 2	Level 3
Financial assets not measured at fair value					
Loans	6 & 15	4,031.47	-	-	-
Trade receivables	12	5,381.83	-	-	-
Cash and cash equivalents including other bank balances	13 & 14	4,157.45	-	-	-
Unbilled revenue	16	4,602.93	-	-	-
Other financial assets	7 & 17	397.55	-	-	-
Financial assets measured at fair value					
Current investments	11	384.68	384.68	-	-
Total financial assets		18,955.91	384.68	-	-



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 37 Financial instruments - fair value and risk management (Contd..)

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2019	Level 1	Level 2	Level 3
Financial liabilities not measured at fair value					
Non-convertible debentures	21	1,489.47	1,489.47	-	-
Borrowings other than above*	21 & 24	4,206.59	-	-	-
Trade payables	25	591.83	-	-	-
Other financial liabilities	26	2,992.79	-	-	-
Total financial liabilities		9,280.68	1,489.47	-	-

\*Current maturities of long-term borrowings forms part of other financial liabilities

*Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries and associates accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.*

### 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.

### 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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 38 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.

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. Investments comprises of investment in mutual funds invested with mutual fund institutions having high credit ratings assigned by domestic credit rating agencies. Loans represent security deposits given to suppliers, employees 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 its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company has established a credit policy under which each new 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 2020 and 31 March 2019 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue. 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 economic conditions over the expected collection period of the receivables.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

The movement in the allowance for impairment in respect of trade receivables and unbilled revenue is as follows:

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Balance as at the beginning of the year</b>	<b>439.06</b>	<b>376.89</b>
Additions/(deletions) through business combination	-	46.70
Impairment loss recognised/(reversed) under expected credit loss model	55.98	124.60
Less: Bad debts written off	(103.10)	(109.13)
<b>Balance as at the end of the year</b>	<b>391.94</b>	<b>439.06</b>

## 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.

## Financing arrangement

The Company maintains line of credit as explained in note 24.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and exclude netting arrangements:

### 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	-	-	-
Other financial liabilities	2,560.13	2,560.13	-	-	-

\*Current maturities of long-term borrowings included under borrowings and excluded from other financial liabilities

### As at 31 March 2019

(Amount in INR millions)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	5,696.42	4,206.95	-	1,489.47	-
Trade payables	591.83	591.83	-	-	-
Other financial liabilities	2,992.43	2,992.43	-	-	-

\*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. The Company had unutilized borrowing limits which are fund based to the extent of INR 3,992.94 million as on 27 May 2020.

As disclosed in note 21 and note 24, 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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 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.

### 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 2020		As at 31 March 2019	
		Foreign currency*	Amount in INR millions	Foreign currency*	Amount in INR millions
Trade receivables	USD	119,700.98	8.55	4,637.34	0.32
	EURO	111,476.19	8.85	254,956.36	19.80
Loans to related parties	SGD	-	-	20,652,816.44	1,054.07
Other liabilities	CAD	65,340.53	3.47	65,340.53	3.37

\*Foreign currency values are in actuals and not recorded in millions.

The following significant exchange rates have been applied:

Currency	Year end spot rate	
	31 March 2020	31 March 2019
USD/INR	75.67	69.16
EURO/INR	82.77	77.67
SGD/INR	53.03	51.04
CAD/INR	53.08	51.54

## Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO, SGD and CAD against INR at 31 March 2020 and 31 March 2019 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
<b>31 March 2020</b>				
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)
<b>31 March 2019</b>				
USD (6.11% movement)	0.02	(0.02)	0.01	(0.01)
EURO (3.88% movement)	0.77	(0.77)	0.50	(0.50)
CAD (1.76% movement)	0.06	(0.06)	0.04	(0.04)
SGD (2.44% movement)	25.71	(25.71)	16.72	(16.72)

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 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 vehicle loans, working capital loan and debentures which carry 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 2020	As at 31 March 2019
Variable rate borrowings	138.55	2,132.59
Fixed rate borrowings	8,377.42	3,563.83
<b>Total borrowings</b>	<b>8,515.97</b>	<b>5,696.42</b>

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
<b>31 March 2020</b>				
Variable rate borrowings	(1.39)	1.39	(0.90)	0.90
<b>31 March 2019</b>				
Variable rate borrowings	(21.33)	21.33	(13.87)	13.87

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

### (i) Price risk exposure

The Company's exposure to price risk arises from investments held by the Company in the mutual fund units and classified as fair value through profit or loss in the standalone balance sheet. To manage its price risk arising from investments in mutual fund units, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The majority of the Company's mutual fund investments are publicly traded and are listed on the recognised stock exchanges. The exposure of the Company'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 2020	As at 31 March 2019
Investments in mutual fund units	-	384.68

### (ii) Sensitivity

(Amount in INR millions)

Particulars	Impact on profit after tax	
	1% increase	1% decrease
31 March 2020	-	-
31 March 2019	3.85	(3.85)

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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 39 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 2020	As at 31 March 2019
Gross debt	8,515.97	5,696.42
Less: Cash and cash equivalents	(3,902.90)	(3,396.15)
<b>Adjusted net debt</b>	<b>4,613.07</b>	<b>2,300.27</b>
Total equity	23,184.79	26,210.40
<b>Net debt to equity ratio</b>	<b>0.20</b>	<b>0.09</b>

## 40 Capital commitments

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	9.14	40.60
	<b>9.14</b>	<b>40.60</b>

## 41 Contingent liabilities and commitments (to the extent not provided for)

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Corporate guarantees given as security for loan availed by related parties (refer note 41.3)	5,065.93	3,407.38
Bonus (refer note 41.4)	325.88	325.88
Provident fund (refer note 41.1, 41.2 and 41.5)	32.17	32.17
Direct and indirect tax matters (refer note 41.1 and 41.2)	43.70	80.10
	<b>5,467.68</b>	<b>3,845.53</b>

**41.1** 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.

**41.2** 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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

**41.3** 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 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
<b>Total</b>	<b>3,407.38</b>	<b>4,617.08</b>	<b>(2,958.53)</b>	<b>5,065.93</b>

**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 2018	Given during the financial year	Expired during the financial year	As at 31 March 2019
Brainhunter Systems Limited	619.88	-	-	619.88
MFX Infotech Private Limited	60.00	-	-	60.00
Terrier Security Services (India) Private Limited	220.00	220.00	(220.00)	220.00
Excelus Learning Solutions Private Limited	83.52	101.64	-	185.16
Quesscorp Holdings Pte. Ltd	1,218.65	-	-	1,218.65
Golden Star Facilities and Services Private Limited	150.00	350.00	(150.00)	350.00
Quessglobal (Malaysia) SDN. BHD.	-	16.89	-	16.89
Greenpiece Landscapes India Private Limited	-	160.00	-	160.00
Qdigi Services Limited	-	400.00	-	400.00
Vedang Cellular Services Private Limited	-	150.00	-	150.00
Quess Corp Lanka (Private) Limited	-	26.80	-	26.80
<b>Total</b>	<b>2,352.05</b>	<b>1,425.33</b>	<b>(370.00)</b>	<b>3,407.38</b>

**41.4** 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.



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

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.

**41.5** 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 ("EPFO") order along with the application under Section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident Fund Contributions till the final disposal of the Appeal. On 23 October 2019 the CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order for a period of 3 months. The matter was listed for hearing on 3 January 2020, wherein the CGIT on request of the RPFC extended the time till 1 April 2020. Due to lockdown the same has been adjourned to 23 June 2020. 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.

## 42 Earnings per share

(Amount in INR millions except number of shares and per share data)

Particulars	For the year ended	
	31 March 2020	31 March 2019
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)	(3,369.07)	2,340.33
Weighted average number of shares used in computing basic earnings per share	146,841,985	145,791,911
<b>Basic (Loss)/earnings per share (INR)</b>	<b>(22.94)</b>	<b>16.05</b>
Weighted average number of shares used in computing diluted earnings per share	147,129,275	146,595,041
<b>Diluted (Loss)/earnings per share (INR)</b>	<b>(22.89)</b>	<b>15.96</b>

### Computation of weighted average number of shares

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Number of equity shares outstanding at the beginning of the year</b>	<b>146,084,833</b>	<b>145,484,178</b>
<b>Add: Weighted average number of equity shares issued during the year:</b>		
132,744 number of equity shares issued for TCIL merger on 1 April 2019 for 366 days [refer note 19.1(ii)]	132,744	-
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(iii)]	387,525	-
519,585 number of equity shares issued under ESOP scheme on 30 October 2019 for 154 days	218,623	-
600,655 number of equity shares issued under ESOP scheme on 26 September 2018 for 187 days	-	307,733
<b>Weighted average number of shares outstanding at the end of the year for computing basic earnings per share</b>	<b>146,841,985</b>	<b>145,791,911</b>
<b>Add: Impact of potentially dilutive equity shares</b>		
297,446 (31 March 2019: 836,126) number of ESOP's at fair value	287,290	803,130
<b>Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share</b>	<b>147,129,275</b>	<b>146,595,041</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 43 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 [upto 1 April 2019, refer note 19.1(iii)] National Collateral Management Services Limited Fairfax (US) Inc. Net Resources Investments Private Limited Isaac Enterprises Private Limited
Subsidiaries (including step subsidiaries)	MMFX Infotech Private Limited Brainhunter Systems Limited Mindwire Systems Limited Brainhunter Companies LLC, USA 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 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) Trimax Smart Infraprojects Private Limited**
Associates	Terrier Security Services (India) Private Limited Heptagon Technologies Private Limited Quess Recruit, Inc. Quess East Bengal FC Private Limited Agency Pekerjaan Quess Recruit SDN. BHD
Joint Venture	Himmer Industrial Services (M) Sdn. Bhd.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

Entities having common directors

Go Digit Infoworks Service Private Limited  
Go Digit General Insurance Limited

Entity in which key managerial person has significant influence

Careworks foundation

## Key executive management personnel

Ajit Isaac

Chairman & Managing Director

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 (w.e.f 1 April 2020)

Manoj Jain

Chief Financial Officer (upto 27 June 2019)

Subramaniam Ramakrishnan

Chief Financial Officer (w.e.f 27 June 2019)

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 50).

\*\* W.e.f 15 October 2019, Trimax Smart Infraprojects 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 2020	31 March 2019
Revenue from operations			
Entities having significant influence	National Collateral Management Services Limited	109.67	203.02
	Thomas Cook (India) Limited	-	156.67
	Net Resources Investments Private Limited	1.27	1.17
Subsidiaries	MFX Infotech Private Limited	-	73.00
	Dependo Logistics Solutions Private Limited	-	39.35
	Vedang Cellular Services Private Limited	0.17	25.00
	Qdigi Services Limited	129.09	116.76
	Golden Star Facilities and Services Private Limited	29.50	85.00
	Conneqt Business Solutions Limited	211.11	57.49
	Monster.com (India) Private Limited	7.12	7.57
	Quess Philippines Corp.	-	12.00
	Comtel Solutions Pte. Ltd	2.02	27.50
	Excelus Learning Solutions Private Limited	50.00	-
	Allsec Technologies Limited	15.04	-
	Trimax Smart Infraprojects Private Limited	27.35	376.74
Associates	Terrier Security Services (India) Private Limited	97.23	120.94
	Heptagon Technologies Private Limited	0.16	0.06
	Quess East Bengal FC Private Limited	20.00	-
Joint ventures	Himmer Industrial Services (M) Sdn. Bhd.	3.86	19.36
Entities having common directors	Go Digit Infoworks Service Private Limited	16.23	15.37
	Go Digit General Insurance Limited	9.70	8.81
Entity in which key managerial person has significant influence	Careworks foundation	45.58	12.55

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## (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 2020	31 March 2019
Other expenses			
Entities having significant influence	Thomas Cook (India) Limited	-	17.17
	Net Resources Investments Private Limited	38.29	36.47
Subsidiaries	MFX Infotech Private Limited	299.47	
	Golden Star Facilities and Services Private Limited	6.63	5.67
	Monster.com (India) Private Limited	2.95	4.01
	Conneqt Business Solutions Limited	9.09	3.68
	Qdigi Services Limited	7.27	8.44
	Greenpiece Landscapes India Private Limited	-	0.29
	Allsec Technologies Limited	4.39	-
	Quessglobal (Malaysia) Sdn. Bhd.	2.54	-
	Simpliance Technologies Private Limited	130.61	154.30
Associates	Terrier Security Services (India) Private Limited	46.74	80.66
	Heptagon Technologies Private Limited	26.98	2.67
Intangible assets under development			
Associates	Heptagon Technologies Private Limited	3.91	22.80
Intangible assets			
Associates	Heptagon Technologies Private Limited	5.13	3.46
Tangible assets			
Associates	Terrier Security Services (India) Private Limited	0.40	0.90
Expenses incurred by the Company on behalf of related parties			
Subsidiaries	MFX Infotech Private Limited	9.46	3.88
	Excelus Learning Solutions Private Limited	20.88	19.40
	Dependo Logistics Solutions Private Limited	12.20	12.27
	Qdigi Services Limited	51.04	28.92
	Conneqt Business Solutions Limited	8.24	43.03
	Monster.com (India) Private Limited	1.69	0.80
	Quess Services Limited	2.94	-
	Allsec Technologies Limited	1.52	-
	Golden Star Facilities and Services Private Limited	3.91	-
	Trimax Smart Infraprojects Private Limited	12.79	88.29
Associates	Terrier Security Services (India) Private Limited	11.62	

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## (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 2020	31 March 2019
<b>Payment made by related parties on behalf of the Company</b>			
Subsidiaries	Dependo Logistics Solutions Private Limited	3.93	4.71
	MFX Infotech Private Limited	2.47	0.06
	Excelus Learning Solutions Private Limited	5.00	0.23
<b>Loans given to related parties</b>			
Subsidiaries	MFX Infotech Private Limited	6.76	5.00
	Dependo Logistics Solutions Private Limited	184.40	270.30
	Excelus Learning Solutions Private Limited	8.46	143.38
	Quess Corp (USA) Inc.	7.31	-
	Vedang Cellular Services Private Limited	68.60	80.16
	Golden Star Facilities and Services Private Limited	108.40	100.87
	Greenpiece Landscapes India Private Limited	97.54	45.00
	Qdigi Services Limited	-	296.80
	Quesscorp Holdings Pte. Ltd	33.32	1,066.40
	Quess Corp Vietnam Limited Liability Company	0.19	7.01
	Monster.com (India) Private Limited	235.00	-
	Conneqt Business Solutions Limited	1,270.87	-
	Trimax Smart Infraprojects Private Limited	271.08	56.80
Associates	Heptagon Technologies Private Limited	111.64	775.70
	Terrier Security Services (India) Private Limited	673.16	225.00
	Quess East Bengal FC Private Limited	168.43	125.37
<b>Repayment of loans /conversion of loan into compulsorily convertible debentures</b>			
Subsidiaries	Dependo Logistics Solutions Private Limited	291.60	163.10
	MFX Infotech Private Limited	103.21	4.00
	Qdigi Services Limited	-	296.80
	Quesscorp Holdings Pte. Ltd	1,035.37	-
	Greenpiece Landscapes India Private Limited	82.56	-
	Vedang Cellular Services Private Limited	68.60	80.16
	Trimax Smart Infraprojects Private Limited	1,164.68	539.68
	Golden Star Facilities and Services Private Limited	108.40	129.87
	Excelus Learning Solutions Private Limited	386.11	14.73
	Conneqt Business Solutions Limited	1,270.87	-
	Monster.com (India) Private Limited	235.00	-
Associates	Quess East Bengal FC Private Limited	-	50.95
	Terrier Security Services (India) Private Limited	556.00	

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## (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 2020	31 March 2019
Interest on loans/debentures charged to related parties			
Subsidiaries	Golden Star Facilities and Services Private Limited	2.62	1.86
	MFX Infotech Private Limited	3.47	7.52
	Dependo Logistics Solutions Private Limited	3.79	3.78
	Excelus Learning Solutions Private Limited	12.97	26.89
	Quess Corp (USA) Inc.	3.93	4.03
	Vedang Cellular Services Private Limited	2.71	0.44
	Trimax Smart Infraprojects Private Limited	82.27	89.11
	Qdigi Services Limited	-	1.44
	Greenpiece Landscapes India Private Limited	3.48	2.85
	Quesscorp Holdings Pte. Ltd	11.92	33.92
	Quess Corp Vietnam LLC	0.48	0.19
	Conneqt Business Solution Limited	90.34	-
	Monster.com (India) Private Limited	6.44	-
Associates	Heptagon Technologies Private Limited	86.02	64.28
	Terrier Security Services (India) Private Limited	44.05	8.25
	Quess East Bengal FC Private Limited	3.33	2.78
Guarantees provided to banks on behalf of related parties			
Subsidiaries	MFX Infotech Private Limited	60.00	-
	Vedang Cellular Services Private Limited	200.00	150.00
	Excelus Learning Solutions Private Limited	-	101.64
	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	160.00
	Quesscorp Holdings Pte. Ltd	1,869.52	-
	Monster.com (India) Private Limited	300.00	-
	MFXchange Holdings, Inc.	1,187.56	-
	Quessglobal Malaysia Sdn. Bhd.	-	16.89
	Quess Corp Lanka (Private) limited	-	26.80
Associates	Terrier Security Services (India) Private Limited	220.00	220.00

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## (iii) Balance receivable from and payable to related parties as at the reporting date:

(Amount in INR millions)

Nature of balance and relationship	Name of related party	As at	As at
		31 March 2020	31 March 2019
Trade receivables (gross of loss allowance)			
Entities having significant influence	National Collateral Management Services Limited	0.04	-
	Thomas Cook (India) Limited	-	11.29
Subsidiaries	MFX Infotech Private Limited	96.24	111.24
	Qdigi Services Limited	2.92	17.28
	Trimax Smart Infraprojects Private Limited	209.38	476.38
	Conneqt Business Solutions Limited	18.67	12.02
	Monster.com (India) Private Limited	2.78	1.47
	Quess Philippines Corp.	12.00	12.00
	Comtel Solutions Pte. Ltd	0.69	27.50
	Allsec Technologies Limited	3.90	-
Associates	Terrier Security Services (India) Private Limited	98.58	322.31
Joint ventures	Himmer Industrial Services (M) Sdn. Bhd.	-	8.31
Entities having common directors	Go Digit Infoworks Service Private Limited	3.20	0.26
	Go Digit General Insurance Limited	8.72	1.84
Entity in which key managerial person has significant influence	Careworks foundation	-	14.81
Trade payables			
Entities having significant influence	Thomas Cook (India) Limited	-	2.57
	Net Resources Investments Private Limited	0.27	-
Subsidiaries	Monster.com (India) Private Limited	0.02	2.04
	Golden Star Facilities and Services Private Limited	3.28	1.12
	Qdigi Services Limited	0.14	4.54
	Allsec Technologies Limited	16.20	-
	Quessglobal (Malaysia) Sdn. Bhd.	1.13	-
	Simpliance Technologies Private Limited	-	48.37
Associates	Terrier Security Services (India) Private Limited	16.77	5.68
	Heptagon Technologies Private Limited	0.78	2.78



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## (iii) Balance receivable from and payable to related parties as at the reporting date: (Contd..)

(Amount in INR millions)

Nature of balance and relationship	Name of related party	As at	As at
		31 March 2020	31 March 2019
<b>Unbilled revenue</b>			
Entities having significant influence	Thomas Cook (India) Limited	-	4.70
Subsidiaries	MFX Infotech Private Limited		
	Vedang Cellular Services Private Limited	0.04	-
	Golden Star Facilities and Services Private Limited	7.00	20.00
	Monster.com (India) Private Limited	-	0.41
	Conneqt Business Solutions Limited	16.53	3.77
	Excelus Learning Solutions Private Limited	50.00	-
	Qdigi Services Limited	0.51	1.34
	Allsec Technologies Limited	0.53	-
	Trimax Smart Infra Projects Private limited	8.75	41.50
Associates	Terrier Security Services (India) Private Limited	24.00	-
	Quess East Bengal FC Private Limited	20.00	-
<b>Loans*</b>			
Subsidiaries	MFX Infotech Private Limited	-	96.45
	Dependo Logistics Solutions Private Limited	-	107.20
	Excelus Learning Solutions Private Limited	-	377.65
	Quess Corp (USA) Inc.	58.89	51.58
	Greenpiece Landscape India Private Limited	60.00	45.00
	Quesscorp Holdings Pte. Ltd	-	1,020.75
	Quess Corp Vietnam Limited Liability Company	7.21	7.01
Associates	Heptagon Technologies Private Limited	887.34	775.70
	Trimax Smart Infra Projects Private limited	-	893.60
	Quess East Bengal FC Private Limited	242.85	74.42
	Terrier Security Services (India) Private Limited	342.16	225.00

\* Loans receivable from related party excludes impairment loss recognised during the year ended 31 March 2020 (refer note 48).

(Amount in INR millions)

Nature of balance and relationship	Name of related party	As at	As at
		31 March 2020	31 March 2019
Other financial assets (interest receivable)			
Subsidiaries	MFX Infotech Private Limited	-	6.76
	Dependo Logistics Solutions Private Limited	-	3.40
	Quess Corp (USA) Inc.	3.93	7.31
	Qdigi Services Limited	0.04	0.04
	Greenpiece Landscape India Private Limited	1.06	2.56
	Quesscorp Holdings Pte. Ltd	-	33.32
	Quess Corp Vietnam Limited Liability Company	0.48	0.19
	Trimax Smart Infra Projects Private limited	-	40.38

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## (iii) Balance receivable from and payable to related parties as at the reporting date: (Contd..)

(Amount in INR millions)

Nature of balance and relationship	Name of related party	As at 31 March 2020	As at 31 March 2019
Associates	Heptagon Technologies Private Limited	82.23	57.85
	Terrier Security Services (India) Private Limited	42.91	7.42
	Quess East Bengal FC Private Limited	-	2.50
<b>Other financial assets (due from related parties)</b>			
Subsidiaries	Dependo Logistics Solutions Private Limited	2.88	4.04
	MFX Infotech Private Limited	5.51	14.40
	Qdigi Services Limited	51.55	0.51
	Conneqt Business Solutions Limited	-	43.03
	Excelus Learning Solutions Private Limited	8.25	0.49
	Monster.com (India) Private Limited	1.44	0.24
	Quess Services Limited	2.94	-
	Allsec Technologies Limited	1.52	-
	Trimax Smart Infra Projects Private limited	0.33	113.65
Associates	Terrier Security Services (India) Private Limited	11.62	-
<b>Other current financial liabilities</b>			
Subsidiaries	Brainhunter Systems Limited	3.47	3.37
	Conneqt Business Solutions Limited	5.15	0.89
	Qdigi Services Limited	0.66	2.53
	Monster.com (India) Private Limited	0.17	2.23
	Allsec Technologies Limited	1.94	-
	MFX Infotech Private Limited	30.56	-
	Simpliance Technologies Private Limited	0.10	0.10
	Golden Star Facilities and Services Private Limited	0.28	-
	Quessglobal (Malaysia) Sdn. Bhd.	0.72	-
Associates	Terrier Security Services (India) Private Limited	61.43	46.18
<b>Guarantees outstanding</b>			
Subsidiaries	Brainhunter Systems Limited	-	619.88
	MFX Infotech Private Limited	60.00	60.00
	MFXchange Holdings, Inc.	1,187.56	-
	Monster.com (India) Private Limited	300.00	-
	Excelus Learning Solutions Private Limited	185.16	185.16
	Quesscorp Holdings Pte. Ltd	1,869.52	1,218.65
	Golden Star Facilities and Services Private Limited	350.00	350.00
	Vedang Cellular Services Private Limited	200.00	150.00
	Qdigi Services Limited	400.00	400.00
	Greenpiece Landscape India Private Limited	250.00	160.00
	Quessglobal (Malaysia) SDN. BHD.	16.89	16.89
	Quesscorp Lanka (Private) limited	26.80	26.80
Associates	Terrier Security Services (India) Private Limited	220.00	220.00

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## (iv) Compensation of key managerial personnel\*

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers	94.79	119.63
	<b>94.79</b>	<b>119.63</b>

\*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.

## 44 Assets and liabilities relating to employee benefits

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	1,013.50	691.92
Liability for compensated absences	22.14	30.54
<b>Total employee benefit liability</b>	<b>1,035.64</b>	<b>722.46</b>
Current [refer note 27]	22.14	28.38
Non-current* [refer note 23]	1,013.50	694.08
	<b>1,035.64</b>	<b>722.46</b>

For details about the related employee benefit expenses, see note 32.

\*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 73.13 million contributions to its defined benefit plans in FY 2020-21

## 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 2020	As at 31 March 2019
<b>Reconciliation of present value of defined benefit obligation</b>		
Obligation at the beginning of the year	935.60	715.27
Current service cost	236.58	206.39
Interest cost	61.01	50.09
Benefits settled	(27.54)	(59.61)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	77.59	88.05

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 4.4 Assets and liabilities relating to employee benefits (Contd..)

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
- Changes in demographic assumptions	(27.78)	(96.10)
- Changes in financial assumptions	21.17	31.50
Transfer in	-	2.59
Transfer out	(9.02)	(2.58)
<b>Obligation at the end of the year</b>	<b>1,267.61</b>	<b>935.60</b>
<b>Reconciliation of present value of plan assets</b>		
Plan assets at the beginning of the year, at fair value	243.68	245.36
Interest income on plan assets	16.02	18.35
Return on plan assets recognised in other comprehensive income	2.57	(2.60)
Contributions	19.38	42.18
Benefits settled	(27.54)	(59.61)
<b>Plan assets at the end of the year, at fair value</b>	<b>254.11</b>	<b>243.68</b>
<b>Net defined benefit liability</b>	<b>1,013.50</b>	<b>691.92</b>

### C (i) Expense recognised in the statement of profit or loss

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Current service cost	236.58	206.39
Interest cost	61.01	50.09
Interest income	(16.02)	(18.35)
<b>Net gratuity cost</b>	<b>281.57</b>	<b>238.13</b>

### (ii) Re-measurement recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Re-measurement of the net defined benefit liability	70.99	23.45
Re-measurement of the net defined benefit asset	(2.57)	2.60
	<b>68.42</b>	<b>26.05</b>

### D Plan assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Funds managed by insurer	254.11	243.68
	<b>254.11</b>	<b>243.68</b>

### E Defined benefit obligation - Actuarial Assumptions

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Discount rate	4.96% - 5.00%	6.54% - 6.60%
Future salary growth	6.00% - 7.50%	6.00% - 12.00%
Attrition rate	50.00% - 80.00%	12.00% - 80.00%
Average duration of defined benefit obligation (in years)	1.50	1.50

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 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 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (1% movement)	127.79	122.68	126.98	120.63
Future salary growth (1% movement)	122.80	127.62	120.70	126.84
Attrition rate (10% movement)	127.98	122.74	133.55	118.08
Mortality rate (10% movement)	125.18	125.19	123.70	123.71

### Associate employees

(Amount in INR millions)

Particulars	As at			
	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (1% movement)	1,157.45	1,127.78	826.94	797.51
Future salary growth (1% movement)	1,127.79	1,157.16	797.40	826.77
Attrition rate (10% movement)	1,219.48	1,084.55	862.98	774.81
Mortality rate (10% movement)	1,142.18	1,142.67	811.71	812.07

## 45 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 2020 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 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
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.	-	-

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 46 Share-based payments

### A Description of share based payment arrangement

At 31 March 2020, 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 2020, the Company has 132,660 exercisable options outstanding. (31 March 2019: 671,340).

##### Ques Corp Limited Employee Stock Option Scheme 2015 ("Scheme 2015")

The Board of Directors in its meeting held on 22 December 2015 approved the 'Ques 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 2020, the Company has 108,067 exercisable options outstanding (31 March 2019: 57,713).

### 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	(Amount in INR millions)	
	31 March 2020	31 March 2019
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 2020

## 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 2020		31 March 2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance as at the beginning of the year	671,340	10.00	1,271,995	10.00
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	(538,680)	10.00	(600,655)	10.00
Less: Lapsed/forfeited during the year	-	-	-	-
Options vested and exercisable as at the end of year	132,660	10.00	671,340	10.00

The options outstanding as at 31 March 2020 have an exercise price of INR 10.00 (31 March 2019: INR 10.00) and a weighted average remaining contractual life of 1.17 years (31 March 2019: 2.17 years).

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2020 is INR 10.00 (31 March 2019: INR 10.00).

### Details of grant date of options issued under ESOP 2009 scheme:

Grant date	Exercise price (INR)	Number of options outstanding as at 1 April 2018
1 December 2009	10.00	294,800
1 October 2010	10.00	377,103
21 May 2011	10.00	428,995
31 May 2012	10.00	686,690
31 December 2013	10.00	104,332
<b>Total</b>		<b>1,891,920</b>
Less: Options exercised during FY 2017-18		(619,925)
Less: Options exercised during FY 2018-19		(600,655)
Less: Options exercised during FY 2019-20		(538,680)
<b>Closing options as at the end of the year</b>		<b>132,660</b>

### Scheme 2015

(Share price in INR)

Particulars	For the year ended			
	31 March 2020		31 March 2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance as at the beginning of the year	164,786	10.00	223,604	10.00
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	(16,345)	10.00	(58,818)	10.00
Balance as at the end of the year	148,441	10.00	164,786	20.00
Options vested and exercisable as at the end of year	108,067		57,713	

The options outstanding as at 31 March 2020 have an exercise price of INR 10.00 (31 March 2019: INR 10.00) and a weighted average remaining contractual life of 0.10 years (31 March 2019: 0.58 years).



# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## Details of Grant date of options issued under ESOP 2015 scheme:

Grant date	Exercise price (INR)	Number of options outstanding as at	
		31 March 2020	31 March 2019
18 August 2017	10.00	148,441	164,786

## D Expense recognised in standalone statement of profit and loss

For details on the employee benefits expense, refer note 32.

## 47 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 2019	Purchased during the year	Sold during the year	Impairment charge during the year	Adjustment on account of corporate guarantee	As at 31 March 2020
<b>Subsidiaries</b>								
Quesscorp Holdings Pte. Ltd	3,999,532	SGD 1	2,053.38	205.94	-	-	28.04	2,287.36
Vedang Cellular Services Private Limited	34,066	2,476.81	399.76	84.37	-	(297.41)	-	186.72
Conneqt Business Services Private Limited	57,955,369	33.32	1,522.20	1,931.08	-	-	-	3,453.28
Golden Star Facilities and Services Private Limited	300,000	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	349,644	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
<b>Associates</b>								
Quess East Bengal FC Private Limited	1,035,000	96.96	100.35	-	-	(100.35)	-	-

\* W.e.f 15 October 2019, Trimax Smart Infraprojects Private Limited is a subsidiary of the Company.

### 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, interest receivable and other dues converted to CCDs	Sold during the year	Impairment charge during the year	Adjustment on account of corporate guarantee	As at 31 March 2020
<b>Subsidiaries</b>								
Conneqt Business Solutions Limited	14,700,000	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	100,000.00	-	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	129,000	10,000.00	-	1,290.00	-	(268.24)	-	1,021.76
MFX Infotech Private Limited	120,612	1,000.00	-	120.61	-	-	-	120.61

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 47 Details of non-current investments purchased and sold during the current year: (Contd..)

\*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

### 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 2018	Purchased during the year	Sold during the year	Impairment charge during the year	Adjustment on account of corporate guarantee	As at 31 March 2019
<b>Subsidiaries</b>								
Quesscorp Holdings Pte. Ltd	6,789,645	SGD 1	1,693.38	360.00	-	-	-	2,053.38
Vedang Cellular Services Private Limited	-	-	399.00	-	-	-	0.76	399.76
Conneqt Business Services Private Limited	-	-	1,527.28	-	(5.08)	-	-	1,522.20
Simpliance Technologies Private Limited	3,405	5,873.72	25.00	20.00	-	-	-	45.00
Greenpiece Landscapes India Private Limited	720,000	300.00	-	216.00	-	-	0.80	216.80
Qdigi Services Limited	5,000,000	60.00	-	300.00	-	-	2.00	302.00
Quess Corp Vietnam Limited Liability Company	-	-	-	13.06	-	-	-	13.06
Inticore VJP Advanced Systems Private Limited	28,400	-	35.24	-	(34.99)	-	(0.25)	-
<b>Associates</b>								
Quess East Bengal FC Private Limited	1,035,000	96.96	-	100.35	-	-	-	100.35
Heptagon Technologies Private Limited	834	17,985.61	97.70	15.00	-	-	-	112.70

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 48 Details of loans given during the year under Section 186(4) of the Act:

### 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 Converted Debentures	Impairment charge recognised during the year	Balance as at 31 March 2020
<b>Subsidiaries</b>						
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
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
Connq Business Solutions Limited	43.03	2,059.11	(632.14)	(1,470.00)	-	-
<b>Associates</b>						
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)	-
<b>Total</b>	<b>3,850.72</b>	<b>4,161.46</b>	<b>(2,607.72)</b>	<b>(3,719.97)</b>	<b>(284.67)</b>	<b>1,399.82</b>

\*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 2020

## Movement for the year ended 31 March 2019

(Amount in INR millions)

Particulars	Balance as at 1 April 2018	Loans given during the year	Repaid during the year	Converted into compulsorily convertible debentures	Impairment charge recognised during the year	Balance as at 31 March 2019
<b>Subsidiaries</b>						
MFX Infotech Private Limited	106.03	8.88	(4.06)	-	-	110.85
Golden Star Facilities and Services Private Limited	29.00	100.87	(129.87)	-	-	-
Excelus Learning Solutions Private Limited	249.48	162.77	(34.13)	-	-	378.12
Quess Corp (USA) Inc.	52.16	-	(0.58)	-	-	51.58
Dependo Logistics Solutions Private Limited	-	282.82	(171.58)	-	-	111.24
Vedang Cellular Services Private Limited	-	80.16	(80.16)	-	-	-
Greenpiece Landscapes India Private Limited	-	45.00	-	-	-	45.00
Qdigi Services Limited	-	325.72	(325.21)	-	-	0.51
Quesscorp Holdings Pte. Ltd	-	1,066.41	(45.65)	-	-	1,020.76
Quess Corp Vietnam Limited Liability Company	-	7.01	-	-	-	7.01
Conneqt Business Solutions Limited	-	43.03	-	-	-	43.03
Monster.com (India) Private Limited	-	0.80	(0.56)	-	-	0.24
<b>Associates</b>						
Terrier Security Services (India) Private Limited	-	225.00	-	-	-	225.00
Quess East Bengal FC Private Limited	-	125.37	(50.95)	-	-	74.42
Trimax Smart Infraprojects Private Limited	1,401.84	145.10	(539.68)	-	-	1,007.26
Heptagon Technologies Private Limited	-	775.70	-	-	-	775.70
<b>Total</b>	<b>1,838.51</b>	<b>3,394.64</b>	<b>(1,382.43)</b>	<b>-</b>	<b>-</b>	<b>3,850.72</b>

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.

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

**49** 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.

## 50 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 has been filed with NSE and BSE on 27 March 2019 and subsequently with the Ministry of Corporate Affairs ("MCA").

During the year ended 31 March 2020, the Company has 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.

A table showing the effect of Scheme A is given below:

(Amount in INR millions)

Balance Sheet (extract)	As at 31 March 2019 (as reported previously)	Effect of Scheme A	As at 31 March 2019 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	508.16	6.43	514.59
Goodwill	5,534.68	30.88	5,565.56
Other intangible assets	1,534.54	11.62	1,546.16
Intangible assets under development	51.63	1.49	53.12
<b>Financial assets</b>			
Investments	7,005.08	(142.05)	6,863.03
Loans	2,784.40	(70.68)	2,713.72
Other financial assets	346.83	(41.24)	305.59
Deferred tax assets (net)	1,545.61	116.42	1,662.03
Income tax assets (net)	1,873.70	132.57	2,006.27
Other non-current assets	61.84	0.56	62.40
<b>Total non-current assets</b>	<b>21,246.47</b>	<b>46.00</b>	<b>21,292.47</b>
<b>Current assets</b>			
Inventories	105.66	3.02	108.68
<b>Financial assets</b>			
Investments	384.68	-	384.68
Trade receivables	5,204.65	177.18	5,381.83
Cash and cash equivalents	3,233.18	162.97	3,396.15
Bank balances other than cash and cash equivalents above	757.38	3.92	761.30
Loans	1,314.79	2.96	1,317.75
Unbilled revenue	4,582.63	20.30	4,602.93
Other financial assets	92.52	(0.56)	91.96
Other current assets	323.47	35.10	358.57
<b>Total current assets</b>	<b>15,998.96</b>	<b>404.89</b>	<b>16,403.85</b>
<b>Total Assets</b>	<b>37,245.43</b>	<b>450.89</b>	<b>37,696.32</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 50 Business Acquisition (Contd..)

(Amount in INR millions)

Balance Sheet (extract)	As at 31 March 2019 (as reported previously)	Effect of Scheme A	As at 31 March 2019 (Restated)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	1,460.85	-	1,460.85
Other equity	24,488.80	260.75	24,749.55
<b>Total equity</b>	<b>25,949.65</b>	<b>260.75</b>	<b>26,210.40</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	1,489.47	-	1,489.47
Non-current provisions	720.35	91.57	811.92
<b>Total non-current liabilities</b>	<b>2,209.82</b>	<b>91.57</b>	<b>2,301.39</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	4,206.59	-	4,206.59
Trade payables	955.14	(363.31)	591.83
Other financial liabilities	2,606.51	386.28	2,992.79
Current provisions	24.88	3.50	28.38
Other current liabilities	1,292.84	72.10	1,364.94
<b>Total current liabilities</b>	<b>9,085.96</b>	<b>98.57</b>	<b>9,184.53</b>
<b>Total Liabilities</b>	<b>11,295.78</b>	<b>190.14</b>	<b>11,485.92</b>
<b>Total Equity and Liabilities</b>	<b>37,245.43</b>	<b>450.89</b>	<b>37,696.32</b>

A table showing the effect of Scheme A is given below:

(Amount in INR millions)

Statement of Profit and Loss (extract)	For the year ended		
	31 March 2019 (as reported previously)	Effect of Scheme A	31 March 2019 (Restated)
<b>Income</b>			
Revenue from operations	56,130.76	817.13	56,947.89
Other income	472.28	(6.84)	465.44
<b>Total income</b>	<b>56,603.04</b>	<b>810.29</b>	<b>57,413.33</b>
<b>Expenses</b>			
Cost of material and stores and spare parts consumed	1,296.71	100.69	1,397.40
Employee benefit expenses	45,600.69	2,064.24	47,664.93
Finance costs	636.03	0.63	636.66
Depreciation and amortisation expense	445.65	8.37	454.02
Other expenses	6,150.54	(1,434.88)	4,715.66
<b>Total expenses</b>	<b>54,129.62</b>	<b>739.05</b>	<b>54,868.67</b>
<b>Profit before tax</b>	<b>2,473.42</b>	<b>71.24</b>	<b>2,544.66</b>

# Notes to the Standalone Financial Statements

For the year ended 31 March 2020

## 50 Business Acquisition (Contd..)

(Amount in INR millions)

Statement of Profit and Loss (extract)	For the year ended		
	31 March 2019 (as reported previously)	Effect of Scheme A	31 March 2019 (Restated)
<b>Tax expense</b>			
Current tax	(523.09)	(20.28)	(543.37)
Tax relating to earlier years	(51.77)	-	(51.77)
Deferred tax	414.24	(23.43)	390.81
<b>Total tax expense</b>	<b>(160.62)</b>	<b>(43.71)</b>	<b>(204.33)</b>
<b>Profit for the year</b>	<b>2,312.80</b>	<b>27.53</b>	<b>2,340.33</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement losses on defined benefit plans	(46.51)	20.46	(26.05)
Income tax relating to items that will not be reclassified to profit or loss	16.25	(5.58)	10.67
<b>Other comprehensive (loss)/income for the year, net of income tax</b>	<b>(30.26)</b>	<b>14.88</b>	<b>(15.38)</b>
<b>Total comprehensive income for the year</b>	<b>2,282.54</b>	<b>42.41</b>	<b>2,324.95</b>

### Effect of restatement on Earnings Per Share

(Amount in INR millions except number of shares and per share data)

Particulars	For the year ended		
	31 March 2019 (as reported previously)	Effect of Scheme A	31 March 2019 (Restated)
Profit after tax for the purpose of earnings per share (INR in millions)	2,312.80	27.53	2,340.33
Weighted average number of shares used in computing basic earnings per share	145,791,911	-	145,791,911
<b>Basic earnings per share (INR)</b>	<b>15.86</b>	<b>0.19</b>	<b>16.05</b>
Weighted average number of shares used in computing diluted earnings per share	146,595,041	-	146,595,041
<b>Diluted earnings per share (INR)</b>	<b>15.77</b>	<b>0.19</b>	<b>15.96</b>

- 51** The Board of Directors of the Company at its meeting held on 18 February 2020 considered and approved the Scheme of Amalgamation ("Scheme AAA") among Qess 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. The Board has delegated its power to the Administration and Investment Committee of the Board for finalisation of the Scheme AAA. Upon the Scheme AAA becoming effective the Transferor Companies shall dissolve and all the assets and liabilities of the transferor companies will be recorded at the carrying values in the consolidated financial statements effective 1 April, 2020. 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 AAA, and the aggregate face value of such shares shall, subject to other provisions contained in Scheme AAA, be adjusted and reflected in the Capital Reserve of Transferee Company. The Scheme AAA shall be filed with NSE/BSE upon approval of the final Scheme AAA by the Administration and Investment Committee.
- 52** 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.
- 53** The Company evaluated subsequent events through 27 May 2020 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.



# **Consolidated Financial Statements**

# Independent Auditor's Report

## To The Members of Qess Corp Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Qess Corp Limited ("the Company") and its subsidiaries, (the 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 31 March 2020, 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 and associates 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 31 March 2020, and their consolidated loss, their consolidated total comprehensive loss, 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 Matters

- We draw attention to Note 45.6 of the consolidated financial statement, regarding the demands received by the Parent in respect of Provident Fund and the contingency related to the pending litigation on the said matter.
- As discussed in Notes 4, 5, 7 and 40 of the consolidated financial statement, the Group has recorded an impairment of INR 5,062.86 million of Goodwill, INR 1,334.81 million of Intangible assets and INR 242.85 million of Loans given to associate pursuant to an impairment assessment as at 31 March 2020.

Our opinion 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	<b>Revenue Recognition</b>  Revenue from contracts with customers for the year ended 31 March 2020 is INR 109,914.82 million.  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.	<b>Principal Audit Procedures</b>  Our audit approach was a combination of test of controls and substantive procedures which included the following: <ul style="list-style-type: none"> <li>Tested the effectiveness of internal controls relating to recording of revenues at reporting periods by inquiry and inspection of (1) rates agreed in the contract with customers and (2) confirmation of attendance / time records from customers.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>Revenue is recognised as the related services are performed in accordance with contractual terms. The Group's invoicing cycle is on contractual pre-determined dates and recognized as receivables based on customer acceptances for delivery of work / attendance of resources.</p> <p>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.</p> <p>We considered recording of unbilled revenues as a key audit matter as there is significant audit effort to ensure that revenue is recorded based on (1) contractual terms and (2) the work delivered is duly acknowledged by the customer.</p> <p>Refer Notes 2.11 and 33 to the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>• For a sample of invoices:</li> <li>• Tested invoices using a combination of customer approved attendance / time records and pricing agreed as per contractual terms.</li> <li>• Tested unbilled revenues with subsequent invoicing based on customer acceptances.</li> </ul>
2	<p><b>Evaluation of Impairment Assessment of Goodwill and Identified Intangible Assets</b></p> <p>Goodwill and identified intangible assets is tested for impairment annually or more frequently, if there is a trigger for assessing impairment.</p> <p>The Group performed an impairment analysis for each of its cash generating units at 31 March 2020 and considered the impact of COVID-19, the resultant significant market volatility over mid-February to March 2020 and uncertainties in future economic condition in the determination of recoverable amounts.</p> <p>Consequent to the impairment analysis, the Group has impaired INR 5,062.86 million and INR 1,334.81 million of goodwill and identified intangible assets during the year ended 31 March 2020.</p> <p>The recoverable amount was determined to be higher of fair value less costs of disposal and value-in-use. Determining the recoverable amount requires assumptions around future revenue, EBITDA and discount rates.</p> <p>Key judgments include the anticipated reduction in revenues and EBITDA due to COVID-19 and the time to recovery post COVID-19. The Group's methodology in determining the assumptions is set out in Note 4 (i) to the consolidated financial statements.</p> <p>Given the above complexities, the determination of recoverable amount is complex and subjective as it involves specific assumptions applicable to each CGU which includes revenue growth rates, EBITDA margins, terminal growth rates and discount rates applied to estimated future cash flows.</p> <p>These assumptions are sensitive to reasonable possible changes including economic uncertainties due to COVID-19 and therefore considered as a key audit matter.</p> <p>Refer Notes 2.3, 2.5, 2.8, 4, 5 and 40 to the consolidated financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We tested the effectiveness of internal controls over the Group's forecasting process and goodwill impairment review including controls related to the development of the revenue growth rates, EBITDA margins, and the assumptions used to develop the discount rates.</p> <p>We evaluated reasonableness of management's assumptions related to revenue growth rates, capital expenditure, EBITDA margins and discount rates by considering (i) the current and past performance of each of the cash generating units, (ii) the consistency of internal assumptions with external market information, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.</p> <p>We also assessed the sensitivity of each group of CGU's to key inputs and testing the integrity and mathematical accuracy of the impairment models.</p> <p>We involved our internal fair value specialists to assist in the evaluation of the appropriateness of the Group's model for calculating value in use for each of the cash generating units and reasonableness of certain significant assumptions, including the weighted average cost of capital (WACC).</p> <p>We reviewed the impairment disclosures to ensure consistency against the requirements of Ind AS 36 – Impairment of Assets.</p>

## 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 Chairman and Managing Director's statement, Board's Report, Financial performance highlights (including segment wise performance), Management discussion and analysis 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 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 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 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 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

- We did not audit the financial statements of 33 subsidiaries, whose financial statements reflect total assets of INR 25,555.44 million as at 31 March 2020, total revenues of INR 31,377.12 million, total net profit after tax of INR 10.97 million, total comprehensive loss of INR 34.41 million and net cash inflows amounting to INR 604.59 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 after tax of INR 65.52 million and total comprehensive loss of INR 81.51 million for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of 4 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.
- The consolidated financial results includes the unaudited financial statements of 1 subsidiary, whose financial statements reflect total assets of INR 278.46 million as at 31 March 2020, total revenues of INR 452.09 million, total net profit after tax of INR 27.94 million, total comprehensive income of INR 34.47 million and net cash outflows amounting to INR 0.27 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 after tax of nil and total comprehensive income of nil for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of 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 subsidiaries and joint venture company, 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

1. 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 subsidiaries and associates 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 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 31 March 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies, to the extent of such companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2020 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 and

associate companies 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, 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 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, and its subsidiary companies and associate companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Anand Subramanian**  
(Partner)

Place: Bengaluru  
Date: 27 June 2020

(Membership No. 110815)  
(UDIN: 20110815AAAABM3175)

# 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 31 March 2020, 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 and associate companies, 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 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 31 March 2020, 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 Matter

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 12 subsidiary companies and 3 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)

Place: Bengaluru  
Date: 27 June 2020

(Membership No. 110815)  
(UDIN: 20110815AAAABM3175)

# Consolidated Balance Sheet

as at 31 March 2020

(Amount in INR millions)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	2,070.11	2,354.43
Capital work-in-progress	3 (a)	7.72	3.37
Right-of-use assets	3 (b)	3,060.64	-
Goodwill	4	8,357.79	11,768.64
Other intangible assets	5	1,381.28	2,440.54
Intangible assets under development	5	38.65	143.78
Investments in equity accounted investees	6	708.14	883.27
<b>Financial assets</b>			
Investments	6	16.55	16.55
Loans	7	1,673.95	2,424.33
Other financial assets	8	611.83	803.23
Deferred tax assets (net)	9	1,831.56	1,926.46
Income tax assets (net)	9	4,334.06	3,119.53
Other non-current assets	10	178.62	183.10
<b>Total non-current assets</b>		<b>24,270.90</b>	<b>26,067.23</b>
<b>Current assets</b>			
Inventories	11	283.78	220.82
<b>Financial assets</b>			
Investments	12	333.90	384.68
Trade receivables	13	9,982.07	9,131.90
Cash and cash equivalents	14	7,091.24	5,047.74
Bank balances other than cash and cash equivalents above	15	495.99	807.23
Loans	16	544.05	379.73
Unbilled revenue	17	8,812.79	7,032.20
Other financial assets	18	69.32	21.95
Other current assets	19	1,301.17	1,023.25
<b>Total current assets</b>		<b>28,914.31</b>	<b>24,049.50</b>
<b>Total Assets</b>		<b>53,185.21</b>	<b>50,116.73</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	1,475.11	1,460.85
Other equity	21	21,284.29	25,795.01
<b>Total equity attributable to equity holders of the Company</b>		<b>22,759.40</b>	<b>27,255.86</b>
Non-controlling interests	22	769.04	30.99
<b>Total equity</b>		<b>23,528.44</b>	<b>27,286.85</b>

# Consolidated Balance Sheet

as at 31 March 2020

(Amount in INR millions)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	23	1,149.67	2,090.19
Lease liabilities	24	2,194.38	-
Other financial liabilities	25	2,006.73	2,063.52
Deferred tax liabilities (net)	9	1.27	0.90
Non-current provisions	26	1,460.50	1,148.69
<b>Total non-current liabilities</b>		<b>6,812.55</b>	<b>5,303.30</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	27	8,826.60	5,411.40
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	51	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	28	1,632.57	1,729.17
Lease liabilities	24	1,048.91	-
Other financial liabilities	29	7,615.20	7,508.80
Income tax liabilities (net)	30	71.77	85.37
Current provisions	31	93.47	99.45
Other current liabilities	32	3,555.70	2,692.39
<b>Total current liabilities</b>		<b>22,844.22</b>	<b>17,526.58</b>
<b>Total Liabilities</b>		<b>29,656.77</b>	<b>22,829.88</b>
<b>Total Equity and Liabilities</b>		<b>53,185.21</b>	<b>50,116.73</b>

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: 27 June 2020

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

**Ajit Isaac**  
Chairman &  
Managing Director  
DIN : 00087168

**Subramanian Ramakrishnan**  
Chief Financial Officer

Place: Bengaluru  
Date: 27 May 2020

**K. Suraj Moraje**  
Executive Director &  
Group Chief Executive Officer  
DIN: 08594844

**Kundan K. Lal**  
Company Secretary  
Membership No.: F8393

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(Amount in INR millions except per share data)

Particulars	Note	For the year ended	
		31 March 2020	31 March 2019
<b>Income</b>			
Revenue from operations	33	109,914.82	85,269.93
Other income	34	510.89	712.26
<b>Total income</b>		<b>110,425.71</b>	<b>85,982.19</b>
<b>Expenses</b>			
Cost of material and stores and spare parts consumed	35	2,670.55	2,624.05
Employee benefit expenses	36	90,634.38	67,132.12
Finance costs	37	1,668.01	1,143.99
Depreciation and amortisation expense	38	2,486.07	1,231.50
Other expenses	39	10,031.87	10,867.98
<b>Total expenses</b>		<b>107,490.88</b>	<b>82,999.64</b>
<b>Profit before share of profit/(loss) of equity accounted investees, exceptional items and income tax</b>		<b>2,934.83</b>	<b>2,982.55</b>
Share of profit/(loss) of equity accounted investees (net of income tax)	6	(138.33)	(88.09)
<b>Profit/(loss) before exceptional items and tax</b>		<b>2,796.50</b>	<b>2,894.46</b>
Exceptional items (Impairment of goodwill, intangibles and loans to associates)	40	6,640.52	-
<b>(Loss)/profit before tax</b>		<b>(3,844.02)</b>	<b>2,894.46</b>
<b>Tax (expense)/credit</b>			
Current tax: Minimum Alternative Tax ('MAT') for the year	9	(335.14)	(806.53)
Tax relating to earlier years	9	(2.76)	(38.40)
Deferred tax (including MAT credit entitlement)	9	(136.86)	515.96
<b>Total tax expense</b>		<b>(474.76)</b>	<b>(328.97)</b>
<b>(Loss)/Profit for the year</b>		<b>(4,318.78)</b>	<b>2,565.49</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement losses on defined benefit plans	49	(143.80)	(34.65)
Share of other comprehensive income of equity accounted investees (net of income tax)	6	(36.81)	16.24
Income tax relating to items that will not be reclassified to profit or loss	9	34.82	18.43
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statements of foreign operations		243.23	63.44
<b>Other comprehensive income for the year, net of income tax</b>		<b>97.44</b>	<b>63.46</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(4,221.34)</b>	<b>2,628.95</b>

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(Amount in INR millions except per share data)

Particulars	Note	For the year ended	
		31 March 2020	31 March 2019
<b>(Loss)/profit attributable to</b>			
Owners of the Company		[4,446.93]	2,567.41
Non-controlling interests		128.15	[1.92]
<b>Total profit/(loss) for the year</b>		<b>[4,318.78]</b>	<b>2,565.49</b>
<b>Other comprehensive income attributable to</b>			
Owners of the Company		82.80	63.46
Non-controlling interests		14.64	-
<b>Total other comprehensive income for the year</b>		<b>97.44</b>	<b>63.46</b>
<b>Total comprehensive (loss)/income attributable to :</b>			
Owners of the Company		[4,364.13]	2,630.87
Non-controlling interests		142.79	[1.92]
<b>Total comprehensive income/(loss) for the year</b>		<b>[4,221.34]</b>	<b>2,628.95</b>
<b>(Loss)/earnings per equity share (face value of INR 10.00 each)</b>			
Basic (in INR)	46	[30.28]	17.61
Diluted (in INR)	46	[30.22]	17.51

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: 27 June 2020

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

**Ajit Isaac**  
Chairman &  
Managing Director  
DIN : 00087168

**Subramanian Ramakrishnan**  
Chief Financial Officer

Place: Bengaluru  
Date: 27 May 2020

**K. Suraj Moraje**  
Executive Director &  
Group Chief Executive Officer  
DIN: 08594844

**Kundan K. Lal**  
Company Secretary  
Membership No.: F8393

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

## (A) Equity share capital

Particulars	Note	31 March 2020	31 March 2019
Opening balance	20	1,460.85	1,454.84
Changes in equity share capital	20	14.26	6.01
<b>Closing balance</b>		<b>1,475.11</b>	<b>1,460.85</b>

(Amount in INR millions)

## (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	Debt redemption reserve	Foreign currency translation reserve				Others
Balance as at 1 April 2018		16,851.09	6,013.97	4.47	21.45	150.00	69.96	93.75	(41.79)	(10.10)	23,152.79	15.78	23,168.57
Total comprehensive income for the year ended 31 March 2019													
Profit for the year		-	2,567.41	-	-	-	-	-	-	-	2,567.41	(1.92)	2,565.49
Other comprehensive income (net of tax)		-	-	-	-	-	-	-	63.44	0.02	63.46	-	63.46
Total comprehensive income		-	2,567.41	-	-	-	-	-	63.44	0.02	2,630.87	(1.92)	2,628.95
Transferred to debt redemption reserve	21	-	(75.00)	-	-	-	-	75.00	-	-	-	-	-
Transferred to general reserve	21	-	-	-	0.11	-	(0.11)	-	-	-	-	-	-
Non-controlling interests on acquisition of subsidiaries	22	-	-	-	-	-	-	-	-	-	-	13.57	13.57
Transactions with owners, recorded directly in equity													
Contributions by owners													
Share based payments	21	-	-	-	-	-	46.37	-	-	-	46.37	-	46.37
Non-controlling interests on acquisition of subsidiaries	21	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with non-controlling interest	22	-	(35.02)	-	-	-	-	-	-	-	(35.02)	3.56	(31.46)
Total contributions by owners		-	(35.02)	-	-	-	46.37	-	-	-	11.35	3.56	14.91
Balance as at 31 March 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

(Amount in INR millions)

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

## (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	Debt redemption reserve			
Balance as at 1 April 2019		16,851.09	8,471.36	4.47	21.56	150.00	116.21	168.75	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)	142.79	(4,304.14)
Other comprehensive income/(loss) [net of tax]		-	-	-	-	-	226.14	-	82.80	-	82.80
Total comprehensive loss		-	(4,446.93)	-	-	-	226.14	-	(4,364.13)	142.79	(4,221.34)
Transferred to debt 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)
<b>Transactions with owners, recorded directly in equity</b>											
<b>Contributions by owners</b>											
Share based payments	21	-	-	-	-	-	18.77	-	18.77	-	18.77
Transactions 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	21,284.29	769.04	22,053.33

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: 27 June 2020

for and on behalf of the Board of Directors of

Quess Corp Limited

Ajit Isaac

Chairman &

Managing Director

DIN : 00087168

Subramanian Ramakrishnan

Chief Financial Officer

Place: Bengaluru

Date: 27 May 2020

K. Suraj Moraje

Executive Director &

Group Chief Executive Officer

DIN: 08594844

Kundan K. Lal

Company Secretary

Membership No.: F8393



# Consolidated Statement of Cash Flows

as at 31 March 2020

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Cash flows from operating activities</b>		
(Loss)/profit after tax	(4,318.78)	2,565.49
<b>Adjustments to reconcile net profit/(loss) to net cash provided by operating activities:</b>		
Tax expense	474.76	328.97
Exceptional items (Impairment of goodwill, intangibles and loans to associates) [refer note 40]	6,640.52	-
Interest income on term deposits	(95.85)	(159.04)
Amortised cost adjustments for financial instruments	(32.87)	(19.30)
Loss on sale of property, plant and equipment, net	31.49	2.57
Interest on loans given to related parties	(196.62)	(166.93)
Net gain on sale of investments in mutual funds	(66.04)	(81.53)
Liabilities no longer required written back	(16.32)	(4.80)
Bad debts recovered	-	(1.29)
Change in fair value of contingent consideration	(18.50)	(149.57)
Net fair value (loss)/gains on mutual funds	37.27	(2.75)
Expense on employee stock option scheme	18.77	46.37
Finance costs	1,668.01	1,143.99
Depreciation and amortisation expense	2,486.07	1,231.50
Loss allowance on financial assets, net	235.86	214.30
Deposits written off	71.28	4.07
Foreign exchange gain, net	(64.43)	(26.12)
Share of (profit)/loss of equity accounted investees	138.33	88.09
<b>Operating profit before working capital changes</b>	<b>6,992.95</b>	<b>5,014.02</b>
<b>Changes in operating assets and liabilities</b>		
Changes in inventories	(62.96)	(70.72)
Changes in trade receivables and unbilled revenue	(292.46)	(1,870.07)
Changes in loans, other financial assets and other assets	(103.21)	(384.10)
Changes in trade payables	(781.83)	1.54
Changes in other financial liabilities, other liabilities and provisions	(692.92)	1,075.51
<b>Cash generated from operations</b>	<b>5,059.57</b>	<b>3,766.18</b>
Income taxes paid, net of refund	(1,448.59)	(1,750.34)
<b>Net cash flows from operating activities (A)</b>	<b>3,610.98</b>	<b>2,015.84</b>
<b>Cash flows from investing activities</b>		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(568.83)	(957.19)
Acquisition of shares in subsidiaries net of acquisition date cash and cash equivalents of subsidiaries	(1,873.47)	(302.89)
Investment in associates	-	(117.42)
Proceeds from sale of mutual fund units	731.98	1,638.67
Bank deposits (having original maturity of more than three months), net	393.68	1,852.81
Loans given to associates	(1,095.01)	(1,271.17)
Repayment of loans by associates	580.65	811.22
Interest received on term deposits	95.24	147.89
<b>Net cash (used in)/from investing activities (B)</b>	<b>(1,735.76)</b>	<b>1,801.92</b>
<b>Cash flows from financing activities</b>		
Proceeds from/(repayments of) vehicle loan, net	0.24	(0.18)
Repayment of lease liabilities	(1,481.05)	(92.35)
Proceeds from term loans	2,243.24	41.16
Repayment of term loans	(1,231.02)	(470.11)

# Consolidated Statement of Cash Flows

as at 31 March 2020

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Redemption of non-convertible debentures	(750.00)	-
Proceeds from current borrowings	43,010.22	12,768.59
Repayments of current borrowings	(39,262.91)	(14,560.00)
Payment towards acquisition of non-controlling interest	(1,243.64)	(1,299.07)
Loans received from related parties	-	18.24
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	5.39	6.01
Payment of dividend to non-controlling interest of subsidiary	(144.09)	-
Interest paid	(1,157.69)	(864.83)
<b>Net cash from/(used in) financing activities (C)</b>	<b>134.56</b>	<b>(4,452.54)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,009.78	(634.78)
Cash and cash equivalents at the beginning of the year	5,047.74	5,661.12
Effect of exchange rate fluctuations on cash and cash equivalents	33.72	21.40
<b>Cash and cash equivalents at the end of the year (refer note 14)</b>	<b>7,091.24</b>	<b>5,047.74</b>

## Components of cash and cash equivalents (refer note 14)

(Amount in INR millions)

Particulars	As at	
	31 March 2020	31 March 2019
<b>Cash and cash equivalents</b>		
Cash in hand	7.87	5.54
Cheque in hand		
Balances with banks		
In current accounts	6,784.89	4,964.34
In EEFC accounts	238.65	5.31
In deposit accounts (with original maturity of less than 3 months)	59.83	72.55
<b>Cash and cash equivalents as per consolidated balance sheet</b>	<b>7,091.24</b>	<b>5,047.74</b>

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: 27 June 2020

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

**Ajit Isaac**  
Chairman &  
Managing Director  
DIN : 00087168

**Subramanian Ramakrishnan**  
Chief Financial Officer

Place: Bengaluru  
Date: 27 May 2020

**K. Suraj Moraje**  
Executive Director &  
Group Chief Executive Officer  
DIN: 08594844

**Kundan K. Lal**  
Company Secretary  
Membership No.: F8393

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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 Tech services.

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 27 May 2020.

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.

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## Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

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 has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amount of assets including receivables and unbilled

revenues. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group, as on date of approval of these consolidated financial results has used internal and external sources of information to the extent available and has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets to be recovered. The Group will continue to monitor future economic conditions for any significant change. The impact of COVID-19 on the Group's financial results may differ from that currently estimated as at the date of approval of these consolidated financial results. Such changes, if any, will be prospectively recognised.

- 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:* The Group assesses the expected credit losses associated with financial assets carried at amortised cost based on 12-month expected credit losses (ECL) at each reporting period, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.
- 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.

# Notes to the Consolidated Financial Statements

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- 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 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.

# Notes to the Consolidated Financial Statements

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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.

### (iii) 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	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



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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 its 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.

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 difference between the lease obligation recorded as of 31 March 2019 under Ind AS 17 disclosed under the Consolidated financial statements for the year ended 31 March 2019 and the value of the lease liability as of 1 April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.



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The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 6.09%.

## 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 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 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) Tech services:

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 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.

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## 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.
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.

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## 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.

### (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

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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 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

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 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

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 Tech services.



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

## 3(a) Property, plant and equipment and capital work-in-progress

Particulars	(Amount in INR millions)										
	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 2018	470.00	374.06	313.19	203.25	79.23	404.53	619.30	831.70	547.68	3,842.94	1.89
Additions through business combination	-	-	7.42	13.29	0.34	5.22	5.99	6.17	-	38.43	-
Additions	-	-	58.53	60.37	24.50	114.65	53.24	392.37	29.45	733.11	1.48
Regrouping*	-	-	23.15	0.21	10.89	[56.58]	[10.45]	414.52	[299.44]	82.30	-
Disposals	-	[19.67]	[17.53]	[9.59]	[10.01]	[16.35]	[32.76]	[7.64]	-	[113.55]	-
Translation differences#	-	-	10.94	2.33	-	10.89	-	0.97	28.61	53.74	-
Balance as at 31 March 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
Accumulated depreciation as at 1 April 2018	-	13.36	200.49	99.59	24.15	180.18	243.32	385.52	371.43	1,518.04	-
Additions through business combination	-	-	-	4.30	0.17	1.17	0.50	1.27	-	7.41	-
Depreciation for the year	-	5.96	49.14	42.28	22.82	79.17	105.16	270.63	84.86	660.02	-
Regrouping*	-	-	24.01	1.27	10.89	[38.83]	[11.18]	422.19	[290.26]	118.09	-
Disposals	-	[0.81]	[14.11]	[5.42]	[5.26]	[10.04]	[19.13]	[4.98]	-	[59.75]	-
Translation differences#	-	-	9.21	1.57	-	6.82	-	0.99	20.14	38.73	-
Accumulated depreciation as at 31 March 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	-
Net carrying amount											
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
As at 31 March 2019	470.00	335.88	126.96	126.27	52.18	243.89	316.65	562.47	120.13	2,354.43	3.37

\*The group has done regrouping to bring standardisation in asset class.

#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 2020

## 3(b) Right-of-use assets

(Amount in INR millions)

Particulars	Building	Equipment	Total Right-of-use assets
<b>Initial recognition pursuant to adoption of Ind AS 116 (refer note 24)</b>	<b>2,421.98</b>	<b>369.25</b>	<b>2,791.23</b>
Additions through business combination	301.75	-	301.75
Additions	1,201.41	114.53	1,315.94
Disposals	(39.41)	-	(39.41)
Translation differences <sup>#</sup>	18.55	6.51	25.06
<b>Balance as at 31 March 2020</b>	<b>3,904.28</b>	<b>490.29</b>	<b>4,394.57</b>
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 <sup>#</sup>	4.24	3.98	8.22
<b>Accumulated depreciation as at 31 March 2020</b>	<b>1,059.70</b>	<b>274.23</b>	<b>1,333.93</b>
<b>Net carrying amount</b>			
<b>As at 31 March 2020</b>	<b>2,844.58</b>	<b>216.06</b>	<b>3,060.64</b>

<sup>#</sup>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 2020	As at 31 March 2019
<b>Carrying value at the beginning of the year</b>	<b>11,768.64</b>	<b>10,959.33</b>
<b>Add: Goodwill on acquisition of:</b>		
Allsec Technologies Limited [refer note 4 (ii) (a)]	1,067.44	-
Trimax Smart Infraprojects Private Limited [refer note 4 (ii) (b)]	398.29	-
Vedang Cellular Services Private Limited [refer note 4 (ii) (c)]	-	17.09
Conneqt Business Solutions Limited [refer note 4 (ii) (d)]	-	(34.86)
Certain subsidiaries of Monster group [refer note 4 (ii) (e)]	-	122.51
Greenpiece Landscapes India Private Limited [refer note 4 (ii) (f)]	-	250.69
Qdigi Services Limited [refer note 4 (ii) (g)]	-	190.87
Simpliance Technologies Private Limited [refer note 4 (ii) (h)]	-	52.74
Quesscorp Management Consultancies [refer note 4 (ii) (i)]	-	60.75
<b>Less: Goodwill reversed on disposal of:</b>		
Inticore VJP Advance Systems Private Limited [refer note 4 (ii) (j)]	-	(9.49)
<b>Less: Impairment charge [refer note 4 (i)]</b>	<b>(5,062.86)</b>	<b>-</b>
Translation differences	186.28	159.01
<b>Carrying value at the end of the year</b>	<b>8,357.79</b>	<b>11,768.64</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

The allocation of goodwill to the operating segments is as follows:

(Amount in INR millions)

Operating segments*	As at 31 March 2020	As at 31 March 2019
Work force Management	2,137.23	2,084.08
Operating asset management	3,069.07	6,710.96
Tech services	3,151.49	2,973.60

\*Consequent to an internal re-organisation, the group has changed its business segments with effect from 1 April 2019 (refer note 47). Accordingly the goodwill was re-allocated and numbers as at 31 March 2019 has been re-casted to conform with the new classification of business segments.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to a cash generating unit (CGU), which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level.

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
Vedang Cellular Services Private Limited	Operating Asset Management
Conneqt Business Solutions Limited	Tech services
Certain subsidiaries of Monster group	Tech services
Greenpiece Landscapes India Private Limited	Operating Asset Management
Qdigi Services Limited	Tech services
Simpliance Technologies Private Limited	Work force Management
Quesscorp Management Consultancies	Work force Management
Allsec Technologies Limited	Tech services

## 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.

As at 31 March 2020, the Group had INR 13,420.65 million of goodwill and INR 2,359.02 million 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).

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) (a)]	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	398.29	398.29	-
<b>Total</b>	<b>9,102.04</b>	<b>5,062.86</b>	<b>4,039.18</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

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% (31 March 2019: 2.00% to 21.00%). 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% (31 March 2019: 5.00% to 20.00%).

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%
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, Qess 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:

(Amount in INR millions)

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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

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 discount rate
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 range of other key assumptions used by the Group for impairment assessment are captured in the table below for year ended 31 March 2019.

CGU	Pre-tax discount rate	Terminal growth rate
Greenpiece Landscapes India Private Limited	27.89%	4.00%
Identified business of Manipal Integrated Services, including two of its subsidiaries	27.89%	4.00%
MFExchange Holdings Inc.	19.60%	2.00%
Vedang Cellular Services Private Limited	29.20%	4.00%
Brainhunter Systems Ltd.	21.48%	2.00%
Comtel Solutions Pte. Ltd.	14.09%	2.00%
Qdigi Services Limited	28.09%	4.00%
Magna*	28.07%	4.00%
Conneqt Business Solution Limited	28.58%	4.00%
Certain subsidiaries of Monster group	23.10%	3.62%

\*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 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, 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 2020

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 Tech services 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	96.90	-	96.90
Customer relationships	-	540.73	540.73
Deferred tax liabilities	-	(135.18)	(135.18)
Current investments	652.40	-	652.40
Trade receivables	369.70	-	369.70
Net assets (excluding above)	119.98	-	119.98
<b>Total</b>	<b>1,238.98</b>	<b>405.55</b>	<b>1,644.53</b>
Purchase consideration			2,711.97
<b>Goodwill</b>			<b>1,067.44</b>

## (b) 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 ("Trimax") 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 year, 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 uncertainties in the future economic condition caused by the pandemic and accordingly has impaired the goodwill [refer note 4 (i)].

## (c) Acquisition of Vedang Cellular Services Private Limited

In accordance with the SPA and SHA, on 10 November 2017 the Company acquired 70.00% stake for a consideration of INR 399.00 million and thus Vedang became the subsidiary of the Company. The Company has a contractual commitment to acquire the non-controlling interest.

During the previous year, 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 customer relationships aggregating to INR 144.59 million to be amortised over its estimated useful life of 7 years and brand license aggregating INR 12.69 million to be amortised over its estimated useful life of 2 years.

The fair value of net assets acquired on the acquisition date including customer relationships and brand license as a part of the transaction amounted to INR 307.25 million. The excess of purchase consideration over the fair value of net assets acquired was attributed towards goodwill aggregating to INR 270.27 million. 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 the Group an increased share in Operating asset management segment.

On 19 December 2019, the Company acquired additional 18.71% equity stake in Vedang Cellular Services Private Limited ("VCSP") at a consideration of 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 at 31 March 2020, the Company holds 88.71% equity stake in VCSP.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

The fair value of purchase consideration is INR 577.52 million. The details are as follows:

(Amount in INR millions)

Nature of consideration and terms of payment	Amount	Fair Value
1. Upfront cash consideration	399.00	399.00
2. Financial liability [refer note (i) below]	267.77	178.52
<b>Total purchase consideration</b>	<b>666.77</b>	<b>577.52</b>

- (i) The Company has accounted the commitment to acquire remaining 30.00% equity shares("NCI put option") as financial liabilities at its present value as on the date of acquisition which amounts to INR 178.52 million. Subsequent to the acquisition date changes to the value of the put option is recognised in statement of profit and loss (refer note 25).

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	47.72	-	47.72
Intangibles (as described above)	-	157.28	157.28
Deferred tax liabilities	-	(54.43)	(54.43)
Net assets (excluding above)	156.68	-	156.68
<b>Total</b>	<b>204.40</b>	<b>102.85</b>	<b>307.25</b>
Purchase consideration			577.52
<b>Goodwill</b>			<b>270.27</b>

- (ii) The impact of the purchase price allocation as compared to provisional allocation during the year ended 31 March 2018 is as follows:  
(Amount in INR millions)

Particulars	Provisional purchase price allocation	Final purchase price allocation	Impact
Purchase consideration	577.52	577.52	-
Net assets and liabilities acquired	204.40	204.40	-
Intangibles (as described above)	183.44	157.28	(26.16)
Deferred tax liability arising on identified intangibles	(63.50)	(54.43)	9.07
<b>Goodwill</b>	<b>253.18</b>	<b>270.27</b>	<b>17.09</b>

## (d) Acquisition of Conneqt Business Solutions Limited

In accordance with the SPA and SHA, on 27 November 2017 the Company had acquired 51.00% stake for a consideration of INR 1,527.28 million and thus Conneqt Business Solutions Limited became the subsidiary of the Company. The Company has a contractual commitment to acquire the non-controlling interest. The name of Tata Business Support Services Limited was changed to Conneqt Business Solutions Limited w.e.f. 9 January 2018.

During the previous year, the Company was 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 535.41 million to be amortised over its estimated useful life of 7 years.

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 2,451.71 million. The excess of purchase consideration over the fair value of net assets acquired was attributed towards goodwill aggregating to INR 660.05 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 Tech services segment.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

The fair value of purchase consideration is INR 3,111.76 million. The details are as follows:

(Amount in INR millions)

Nature of consideration and terms of payment	Amount	Fair Value
1. Cash consideration paid	1,522.20	1,522.20
2. Financial liability [refer note (i) below]	1,589.56	1,589.56
<b>Total purchase consideration</b>	<b>3,111.76</b>	<b>3,111.76</b>

- (i) The Company has accounted the commitment to acquire remaining 49.00% equity shares ("NCI put option") as financial liabilities at its present value as on the date of acquisition which amounts to INR 1,589.56 million. Subsequent to the acquisition date changes to the value of the put option is recognised in statement of profit and loss [refer note 25].

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	756.04	470.00	1,226.04
Intangibles (as described above)	-	535.41	535.41
Deferred tax liabilities	-	(185.29)	(185.29)
Indemnification assets	-	443.34	443.34
Provision for expenses corresponding to indemnification assets	-	(443.34)	(443.34)
Net assets (excluding above)	875.55	-	875.55
<b>Total</b>	<b>1,631.59</b>	<b>820.12</b>	<b>2,451.71</b>
Purchase consideration			3,111.76
<b>Goodwill</b>			<b>660.05</b>

- (ii) The impact of the purchase price allocation as compared to provisional allocation performed during the year ended 31 March 2018 is as follows:

(Amount in INR millions)

Particulars	Provisional purchase price allocation	Final purchase price allocation	Impact
Purchase consideration	3,216.67	3,111.76	(104.91)
Net assets and liabilities acquired	2,101.59	2,101.59	-
Intangibles	642.53	535.41	(107.12)
Deferred tax liability arising on identified intangibles	(222.37)	(185.29)	37.08
<b>Goodwill</b>	<b>694.92</b>	<b>660.05</b>	<b>(34.86)</b>

## (e) Acquisition of Monster.com (India) Private Limited, Monster.com.SG PTE Limited, Monster.com.HK Limited and Monster Malaysia SDN. BHD

On 8 February 2018, the company along with its wholly owned subsidiary Quesscorp Holdings Pte Ltd ("QHPL") acquired controlling stake in certain entities of Monster Group, namely, Monster.com (India) Private Limited, Monster.com.SG PTE Limited, Monster.com.HK Limited and Monster Malaysia SDN. BHD at a consideration of INR 1,447.80 million. These entities are engaged in providing online and mobile employment and recruitment solutions to its customers.

During the previous year, 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 resume database aggregating to INR 110.76 million to be amortised over its estimated useful life of 5 years, customer relationships aggregating to INR 43.79 million to be amortised over its estimated useful life of 7 years, customer contracts aggregating to INR 30.91 million to be amortised over its estimated useful life of 1.5 years, IP technology aggregating to INR 41.21 million to be amortised over its estimated useful life of 3 years, brand aggregating to INR 47.65 million to be amortised over its estimated useful life of 6 years and non-compete aggregating to INR 32.84 million to be amortised over its estimated useful life of 4 years.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to INR 570.47 million. The excess of purchase consideration over the fair value of net assets acquired was attributed towards goodwill aggregating to INR 873.21 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.

The fair value of purchase consideration of INR 1,443.68 million comprise of upfront cash consideration of INR 1,402.47 million and deferred consideration of INR 41.21 million.

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	58.06	-	58.06
Intangibles (as described above)	-	307.17	307.17
Deferred tax liabilities	-	(82.83)	(82.83)
Net assets (excluding above)	288.07	-	288.07
<b>Total</b>	<b>346.13</b>	<b>224.34</b>	<b>570.47</b>
Purchase consideration			1,443.68
<b>Goodwill</b>			<b>873.21</b>

- (i) The impact of the purchase price allocation as compared to provisional allocation performed during the year ended 31 March 2018 is as follows:

(Amount in INR millions)

Particulars	Provisional purchase price allocation	Final purchase price allocation	Impact
Purchase consideration	1,447.79	1,443.68	(4.11)
Net assets and liabilities acquired	346.13	346.13	-
Intangibles (as described above)	350.96	307.17	(43.79)
Deferred tax liability arising on identified intangibles	-	(82.83)	(82.83)
<b>Goodwill</b>	<b>750.70</b>	<b>873.21</b>	<b>122.51</b>

## (f) Acquisition of Greenpiece Landscapes India Private Limited

As per Share Purchase Cum Shareholder's Agreement ("SPSHA"), the Company acquired 90.00% equity stake in Greenpiece Landscapes India Private Limited ("GLIPL") at a consideration of INR 216.00 million and thus GLIPL became the subsidiary of the Company. The Company has a contractual commitment to acquire the non-controlling interest. During the previous year, the Company completed the purchase price allocation and recognised assets and liabilities at its fair value including intangible assets. Post allocation of purchase price, the Company recorded a goodwill of INR 250.68 million.

On 7 May 2019 the Company acquired balance 10.00% equity stake in GLIPL at a consideration of INR 28.00 million, pursuant to the clauses relating to NCI put option of the SPSHA dated 24 January 2018 and GLIPL has become 100.00% subsidiary of the Company. The consideration paid has been adjusted against consideration payable disclosed under other current financial liabilities.

The Company 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 to INR 10.94 million as at 02 April 2018 to be amortised over its estimated useful life of 5 years.

The fair value of net liabilities acquired including the identified intangibles as on the acquisition date as a part of the transaction amounted to INR 6.68 million. The excess of purchase consideration over the fair value of net assets acquired was attributed towards goodwill aggregating to INR 250.68 million. 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 the Group an increased share in Operating asset management segment.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

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	2.67	-	2.67
Intangibles (as described above)	0.27	10.94	11.21
Deferred tax liabilities	-	(3.79)	(3.79)
Net liabilities (excluding above)	(16.77)	-	(16.77)
<b>Total</b>	<b>(13.83)</b>	<b>7.15</b>	<b>(6.68)</b>
Purchase consideration			244.00
<b>Goodwill</b>			<b>250.68</b>

## (g) Acquisition of Qdigi Services Limited

During the previous year ended 31 March 2019, the Company acquired 100.00% equity stake in HCL Computing Products Limited ("HCPL") at a consideration of INR 304.18 million and thus HCPL became the subsidiary of the Company. During the previous year, the Company completed the purchase price allocation and recognised assets and liabilities at its fair value including intangible assets. Post allocation of purchase price, the Company recorded a goodwill of INR 190.86 million. The name of HCPL was changed to Qdigi Services Limited ("DIGI") w.e.f. 21 February 2018.

The Company 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 to INR 7.64 million to be amortised over its estimated useful life of 5 years.

The fair value of net assets acquired as on the acquisition date as a part of the transaction amounted to INR 113.32 million. The excess of purchase consideration over the fair value of net assets acquired was attributed towards goodwill aggregating to INR 190.86 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 to the extent recognised in the books of accounts of DIGI is deductible for income tax purposes. This acquisition is expected to provide the Group an increased share in Tech services segment."

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	26.22	-	26.22
Intangibles (as described above)	-	7.64	7.64
Deferred tax liabilities	-	-	-
Net assets (excluding above)	79.46	-	79.46
<b>Total</b>	<b>105.68</b>	<b>7.64</b>	<b>113.32</b>
Purchase consideration			304.18
<b>Goodwill</b>			<b>190.86</b>

## (h) Acquisition of Simpliance Technologies Private Limited

During the previous year ended 31 March 2019, the Company entered into an agreement (amendment to the original share subscription agreement dated 19 October 2016) with Simpliance Technologies Private Limited ("STPL") to subscribe for additional 8.00% equity stake at a consideration of INR 20.00 million. Accordingly, the Company's equity stake has increased to 53.00% and STPL became the subsidiary of the Company. During the previous year, the Company completed the purchase price allocation and recognised assets and liabilities at its fair value including intangible assets. Post allocation of purchase price, the Company recorded a goodwill of INR 52.74 million.

The Company recognised assets and liabilities of the acquired business at its fair value including intangible assets. The fair value of net assets acquired as on the acquisition date as a part of the transaction amounted to INR 28.88 million. The excess of purchase consideration over the fair value of net assets acquired was attributed towards goodwill aggregating to INR 52.74 million. The goodwill is attributable to synergies including revenues from new customers. Results from this acquisition and goodwill are included under

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

Workforce management segment. Goodwill is not deductible for income tax purposes. This acquisition is expected to provide the Group an increased share in Workforce management segment.

The fair value of purchase consideration is INR 68.05 million. The details are as follows:

(Amount in INR millions)

Nature of consideration and terms of payment	Amount	Fair Value
Previously held equity interest	25.00	52.87
Additional investment to acquire control	20.00	20.00
Share of profit of equity accounted investees till 31 July 2018	(4.82)	(4.82)
<b>Total purchase consideration</b>	<b>40.18</b>	<b>68.05</b>

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	0.28	-	0.28
Intangibles	9.47	-	9.47
Net assets (excluding above)	19.13	-	19.13
<b>Total</b>	<b>28.88</b>	<b>-</b>	<b>28.88</b>
<b>Share of the Group at 53.00%</b>			<b>15.31</b>
Purchase consideration			68.05
<b>Goodwill</b>			<b>52.74</b>

## (i) Acquisition of Quesscorp Management Consultancies

Styra Corp Management Services ("Styra") is a sole proprietorship establishment incorporated in Dubai, United Arab Emirates. The entity is registered in the name of Mr. Ajit Isaac and Mr. Mohamed Mazarooki has been appointed as local service agent. On 19 December 2018, the name of Styra was changed to Quesscorp Management Consultancies ("QCMC") and the professional license was transferred in its name. Quesscorp Holdings Pte Ltd, Singapore ("QHPL") appointed its nominees to conduct the operations of QCMC. Accordingly, QHPL acquired control and QCMC has become the subsidiary of the Company.

The Company recognised assets and liabilities of the acquired business at its fair value including intangible assets. The fair value of net liabilities acquired as on the acquisition date as a part of the transaction amounted to INR 46.38 million. The excess of purchase consideration over the fair value of net assets acquired was attributed towards goodwill aggregating to INR 60.75 million. The goodwill is attributable to synergies including revenues from new customers. Results from this acquisition and goodwill are included under Workforce management segment. Goodwill is not deductible for income tax purposes. This acquisition is expected to provide the Group an increased share in Workforce management segment.

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	0.16	-	0.16
Net liabilities (excluding above)	(46.54)	-	(46.54)
<b>Total</b>	<b>(46.38)</b>	<b>-</b>	<b>(46.38)</b>
Purchase consideration			14.37
<b>Goodwill</b>			<b>60.75</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (j) Disposal of Inticore VJP Advance Systems Private Limited

On 5 June 2018, the company entered into a Share sale and Purchase Agreement ("SPA") with Vee J Pee Aluminium Foundry Private Limited ("Purchaser") to sell and transfer to the purchaser 28,400 shares of Inticore VJP Advance Systems Private Limited ("IASP") representing approximately 73.96% of the share capital of the Company on a fully diluted basis for a sale consideration of INR 23.16 million. On the same day, the company and the purchaser entered into a termination agreement to terminate all the existing share holders agreement. Accordingly, as at 29 August 2018, IASP ceased to be a subsidiary of the company.

The details of assets and liabilities transferred were as follows;

(Amount in INR millions)

Particulars	Amount
Goodwill on acquisition	9.49
Property, plant and equipment	35.38
Intangibles	1.21
Net liabilities (excluding above)	(19.86)
Non-controlling interest	(4.95)
<b>Total</b>	<b>21.27</b>
Sale consideration	23.16
<b>Profit on sale of Investment</b>	<b>1.89</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

## 5 Other intangible assets and intangible assets under development

(Amount in INR millions)

Particulars	Brand	Customer relationships	Computer software #	Computer software - leased	Other intangible assets						Non-compete	Total other intangible assets	Intangible assets under development
					Customer contracts	Copyright and trademarks	IP technology	Resume database					
Gross carrying amount as at 1 April 2018	363.66	2,757.95	425.79	68.45	23.54	0.48	-	-	-	-	3,639.87	21.58	
Additions through business combinations	-	18.58	15.72	-	-	-	-	-	-	-	34.30	-	
Additions	-	-	119.61	-	-	-	-	-	-	-	119.61	93.54	
Regrouping*	-	-	34.29	(12.94)	-	-	-	-	-	-	21.35	29.02	
Reperformance of PPA**	(302.96)	(89.48)	-	-	30.91	-	41.21	110.76	-	32.84	(176.72)	-	
Disposals	-	-	(1.24)	-	-	-	-	-	-	-	(1.24)	-	
Translation differences <sup>†</sup>	-	-	164.38	1.13	-	-	-	-	-	-	165.51	(0.36)	
Balance as at 31 March 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)	
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	
Translation differences <sup>†</sup>	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	
Accumulated amortisation and impairment as at 1 April 2018	3.29	360.12	201.27	39.08	3.78	0.24	-	-	-	-	607.78	-	
Additions through business combination	-	-	5.98	-	-	-	-	-	-	-	5.98	-	
Amortisation for the year	15.11	325.36	133.95	15.36	31.32	0.12	15.66	25.25	-	9.36	571.49	-	
Regrouping*	-	-	25.69	(10.42)	-	-	-	-	-	-	15.27	-	
Disposals	-	-	(0.04)	-	-	-	-	-	-	-	(0.04)	-	
Translation differences <sup>†</sup>	-	-	160.69	0.97	-	-	-	-	-	-	161.66	-	
Accumulated amortisation as at 31 March 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 <sup>†</sup>	0.80	46.75	264.82	4.24	-	-	2.65	1.06	-	2.65	322.97	-	
Accumulated amortisation and impairment 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	-	
Net carrying amount	-	-	-	-	-	-	-	-	-	-	-	-	
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	
As at 31 March 2019	42.30	2,001.56	231.02	11.65	19.35	0.12	25.55	85.51	-	23.48	2,440.54	143.78	

\*The group has done regrouping to bring standardisation in asset class.

\*\*Adjustments on account of finalisation of Purchase price allocation (PPA), which was allocated based on provisional PPA.

##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 previous year.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 6 Investments in equity accounted investees and non-current investments

### Investments in equity accounted investees

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest in associates (refer note A below)	708.14	883.27
Interest in joint ventures (refer note A below)	-	-
	<b>708.14</b>	<b>883.27</b>

### Non-current investments

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Unquoted</b>		
<b>Investment carried at fair value through other comprehensive income</b>		
Investments in equity instruments		
200,000 (31 March 2019: 200,000) fully paid up equity shares of par value of INR 10.00 each of KMG Infotech Limited	16.55	16.55
	<b>16.55</b>	<b>16.55</b>

			(Amount in INR millions)	
A	Particulars		As at 31 March 2020	As at 31 March 2019
	<b>Investment in equity accounted investees (refer note 52)</b>			
	<b>Investment in associates</b>			
	<b>Investment in equity instruments</b>			
	245,000 (31 March 2019: 245,000) fully paid up equity shares of par value of INR 10.00 each of Terrier Security Services (India) Private Ltd (refer note 6.1)		702.33	795.96
	13,612 (31 March 2019: 13,612) fully paid up equity shares of par value of INR 10.00 each of Heptagon Technologies Private Limited (refer note 6.2)		-	83.89
	NIL (31 March 2019: 5,100) fully paid up equity shares of par value of INR 10.00 each of Trimax Smart Infraprojects Private Limited (refer note 6.3)		-	-
	2,500 (31 March 2019: 2,500) fully paid up equity shares of par value of Peso 100.00 (INR 1.24 per Peso) each of Quess Recruit, Inc.		4.73	1.43
	1,035,000 (31 March 2019: 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 2019: 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)		1.08	1.99
			<b>708.14</b>	<b>883.27</b>
	<b>Investment in joint venture</b>			
	49,000 (31 March 2019: 49,000) fully paid up equity shares of par value of 1.00 RM each of Himmer Industrial Services (M) SDN BHD (refer note 6.6)		-	-
	<b>Total investment in equity accounted investees</b>		<b>708.14</b>	<b>883.27</b>

- 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 ('First Tranche') on 9 December 2016. Balance 25.00% stake will be acquired after receiving approval from MHA ('Second Tranche'). As MHA approval is not yet received, Terrier continues to be an associate of the Company as at 31 March 2020.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

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 2020	As at 31 March 2019
<b>Percentage ownership interest</b>	<b>49.00%</b>	<b>49.00%</b>
Non-current assets	462.92	337.41
Current assets	1,230.35	1,342.20
Non-current liabilities	(118.16)	(28.89)
Current liabilities	(1,380.00)	(1,264.53)
<b>Net assets before corporate guarantee adjustment</b>	<b>195.11</b>	<b>386.19</b>
Less: Fair value of corporate guarantee issued by Quess Corp Limited	(2.20)	(2.20)
<b>Net Assets</b>	<b>192.91</b>	<b>383.99</b>
Group's share of net assets	94.53	188.16
Goodwill	605.60	605.60
<b>Carrying amount of interest in associates</b>	<b>700.13</b>	<b>793.76</b>
Add: Fair value of corporate guarantee issued by Quess Corp Limited	2.20	2.20
<b>Total Investment</b>	<b>702.33</b>	<b>795.96</b>

(Amount in INR millions)

Particulars	For the year ended 31 March 2020	31 March 2019
Revenue	5,114.25	4,294.17
Profit after tax	(148.60)	111.05
Other comprehensive income	(42.49)	(4.23)
Total comprehensive income	(191.09)	106.81
<b>Group's share of profit (49.00%)</b>	<b>(72.81)</b>	<b>54.41</b>
<b>Group's share of other comprehensive income (49.00%)</b>	<b>(20.82)</b>	<b>(2.07)</b>
<b>Group's share of total comprehensive income</b>	<b>(93.63)</b>	<b>52.34</b>

- 6.2 During the previous 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 2020, the Company holds 49.00% equity stake in Heptagon and Heptagon continues to be an associate of the Group.
- 6.3 During the year, 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 become 100.00% subsidiary of the Company with effect from 15 October 2019 [refer note 4 (ii)(b) and 13.1]
- 6.4 During the previous year, 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. Considering provisions of the agreement, the Group has classified investment in Quess East Bengal FC Private Limited as associate as per Ind AS 28, Investment in Associates. The group had picked up losses to the extent of carrying value of its investments and loans as fully described in note 7.1.
- 6.5 During the previous year, 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.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

- 6.6 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.
- 6.7 The following table summarises the Group's interests in individually immaterial associates (refer note 6.2, 6.3, 6.4 and 6.5) and joint venture (refer note 6.6) 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 2020	As at 31 March 2019
Aggregate carrying amount of individually immaterial associates and joint venture	5.81	87.32
Share in profit/(loss)	(65.52)	(142.50)
Share in other comprehensive income	(15.99)	18.31
<b>Share in total comprehensive income</b>	<b>(81.51)</b>	<b>(124.19)</b>

## 7 Non-current loans

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Loans receivable considered good - unsecured</i>		
Security deposits	786.61	680.61
Loans to associates (refer note 48 and 53)	1130.19	1,743.72
Less: Impairment loss allowance (refer note 7.1 and 40)	(242.85)	-
	<b>1,673.95</b>	<b>2,424.33</b>

- 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.

## 8 Other non-current financial assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Bank deposits (due to mature after 12 months from the reporting date)*	86.26	145.51
Indemnification assets**	443.34	443.34
Interest receivable from related parties (refer note 48)	82.23	100.73
Due from related parties (refer note 48)	-	113.65
	<b>611.83</b>	<b>803.23</b>

\* Fixed deposits to the tune of INR 14.64 million (31 March 2019: INR 37.41 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; refer note 4 (ii) (d)].

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 9 Taxes

### A Amount recognised in profit or loss

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Current tax:</b>		
In respect of the current year	(335.14)	(806.53)
Excess provision related to prior years	(2.76)	(38.40)
<b>Deferred tax:</b>		
<b>Attributable to:</b>		
Origination and reversal of temporary differences	(136.86)	515.96
<b>Income tax expense reported in the Consolidated Statement of Profit and Loss</b>	<b>(474.76)</b>	<b>(328.97)</b>

### B Income tax recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Remeasurement of the net defined benefit liability/ asset		
Before tax	(143.80)	(34.65)
Tax expense	34.82	18.43
<b>Net of tax</b>	<b>(108.98)</b>	<b>(16.22)</b>

### 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 2020	31 March 2019
(Loss)/profit before tax	(3,844.02)	2,894.46
Tax using the Company's domestic tax rate of 25.168% (31 March 2019: 34.944%)	967.46	(1,011.44)
<b>Effect of:</b>		
Exceptional items (Impairment of goodwill, intangibles and loans to associates) [refer note 40]	(1,671.29)	-
Adoption of new tax regime under section 115BAA on deferred tax including reversal of MAT credit entitlement*	(1,399.95)	-
Deferred tax reversal on goodwill and intangibles**	1,053.90	-
Tax exempt income	90.34	12.75
Non-deductible expenses	(39.76)	(178.50)
Tax incentives	783.15	847.08
Difference in enacted tax rate	(277.36)	(116.38)
Others	18.75	109.95
<b>Effective tax rate</b>	<b>(474.76)</b>	<b>(336.54)</b>
Excess provisions relating to earlier years	-	(7.57)
<b>Income tax expense reported in the Consolidated Statement of profit and loss</b>	<b>(474.76)</b>	<b>(328.97)</b>

\*During the 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 1,053.90 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)]

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

**E The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019**

## Income tax assets (net)

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	7,099.36	5,755.81
Income tax liabilities	(2,765.30)	(2,636.28)
<b>Net income tax assets at the end of the year</b>	<b>4,334.06</b>	<b>3,119.53</b>

## Income tax liabilities (net)\*

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax assets	-	-
Income tax liabilities	71.77	85.37
<b>Net income tax liabilities at the end of the year</b>	<b>71.77</b>	<b>85.37</b>

\*For current tax liabilities above, there is no legally enforceable right to set off against the non-current tax assets and accordingly disclosed separately.

**F Deferred tax assets (net) and Deferred tax liabilities (net)**

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax asset and liabilities are attributable to the following:</b>		
<b>Deferred tax assets:</b>		
Impairment loss allowance on financial assets	156.78	186.00
Provision for employee benefits	376.33	407.21
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	1,052.07	1,132.99
Property, plant and equipment and intangible assets	84.50	(24.47)
MAT credit entitlement	54.59	1,265.87
Brought forward losses & unabsorbed depreciation	161.08	82.75
Lease liabilities	27.52	-
Others	395.60	342.46
<b>Deferred tax assets</b>	<b>2,308.47</b>	<b>3,392.81</b>
<b>Deferred tax liabilities:</b>		
Intangibles recognised on PPA	(277.13)	(469.65)
Goodwill on merger	(199.78)	(996.70)
	<b>(476.91)</b>	<b>(1,466.35)</b>
<b>Deferred tax assets (net)</b>	<b>1,831.56</b>	<b>1,926.46</b>
<b>Deferred income tax liabilities (net)</b>		
Deferred income tax liabilities	1.27	0.90
	<b>1,830.29</b>	<b>1,925.56</b>

The movement of deferred tax aggregating to INR -76.34 million (excluding additions through business combination) for the year ended 31 March 2020 [31 March 2019: INR 399.13 million] comprises of INR -111.15 million [31 March 2019: INR 380.70 million] charged to profit and loss account and INR 34.82 million [31 March 2019: INR 18.43 million] charged to other comprehensive income.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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 2020	Opening balance	Additions through business combinations	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>Deferred tax assets:</b>					
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
	<b>3,392.81</b>	<b>116.24</b>	<b>(1,235.40)</b>	<b>34.82</b>	<b>2,308.47</b>
<b>Deferred tax liabilities:</b>					
Intangibles recognised on PPA	(469.65)	(135.18)	327.70	-	(277.13)
Goodwill on merger	(996.70)	-	796.92	-	(199.78)
	<b>(1,466.35)</b>	<b>(135.18)</b>	<b>1,124.62</b>	<b>-</b>	<b>(476.91)</b>
<b>Deferred tax assets (net)</b>	<b>1,926.46</b>	<b>(18.94)</b>	<b>(110.78)</b>	<b>34.82</b>	<b>1,831.56</b>
<b>Deferred income tax liabilities</b>					
Deferred income tax liabilities	0.90	-	0.37	-	1.27
<b>Deferred income tax liabilities</b>	<b>1,925.56</b>	<b>(18.94)</b>	<b>(111.15)</b>	<b>34.82</b>	<b>1,830.29</b>

(Amount in INR millions)

For the year ended 31 March 2019	Opening balance	Additions through business combinations	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>Deferred tax assets:</b>					
Impairment loss allowance on financial assets	184.73	0.09	1.18	-	186.00
Provision for employee benefits	283.68	1.63	103.47	18.43	407.21
Present valuation of financial instruments	0.57	-	(0.57)	-	-
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	967.78	-	165.21	-	1,132.99
Property, plant and equipment and intangible assets	196.00	0.22	(220.69)	-	(24.47)
MAT credit entitlement	853.75	-	412.12	-	1,265.87
Brought forward losses & unabsorbed depreciation	55.26	-	27.49	-	82.75
Others	159.96	11.60	170.90	-	342.46
	<b>2,701.73</b>	<b>13.54</b>	<b>659.11</b>	<b>18.43</b>	<b>3,392.81</b>
<b>Deferred tax liabilities:</b>					
Intangibles recognised on PPA	(488.22)	(40.48)	59.05	-	(469.65)
Goodwill on merger	(657.90)	-	(338.80)	-	(996.70)
	<b>(1,146.12)</b>	<b>(40.48)</b>	<b>(279.75)</b>	<b>-</b>	<b>(1,466.35)</b>
<b>Deferred tax assets (net)</b>	<b>1,555.61</b>	<b>(26.94)</b>	<b>379.36</b>	<b>18.43</b>	<b>1,926.46</b>
<b>Deferred income tax liabilities</b>					
Deferred income tax liabilities	2.24	-	(1.34)	-	0.90
<b>Deferred income tax liabilities</b>	<b>1,553.37</b>	<b>(26.94)</b>	<b>380.70</b>	<b>18.43</b>	<b>1,925.56</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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 2020	Unabsorbed business losses
2021	-
2022	-
2023	-
2024	-
2025	-
Thereafter	350.14
	<b>350.14</b>

## 10 Other non-current assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	7.53	10.26
<b>Advances other than capital advances</b>		
Taxes paid under protest (refer note 45)	113.93	119.75
Provident fund payments made under protest (refer note 45)	17.53	10.72
Prepaid expenses	39.63	42.37
	<b>178.62</b>	<b>183.10</b>

## 11 Inventories

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Valued at lower of cost and net realizable value</i>		
Raw material and consumables	68.35	66.27
Stores and spares	215.43	154.55
	<b>283.78</b>	<b>220.82</b>

## 12 Current investments

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Quoted</b>		
<b>Investments at fair value through profit or loss</b>		
Investments in liquid mutual fund units	333.90	384.68
	<b>333.90</b>	<b>384.68</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## Details of investments in liquid mutual fund units

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Nil units (March 2019: 3,409.64 units) HDFC Liquid Fund - Regular Plan Growth	-	12.49
Nil units (March 2019: 6,927.39 units) HDFC Liquid Fund - Direct Plan Growth	-	25.49
Nil units (March 2019: 1,027.26 units) HSBC Cash Fund - Growth	-	1.91
Nil units (March 2019: 32,770.79 units) ICICI Flexible Income Plan - Direct Growth	-	11.84
Nil units (March 2019: 11,630.20 units) ICICI Flexible Income Plan - Growth	-	4.17
Nil units (March 2019: 1,015,044.17 units) ICICI Prudential Liquid Plan - Growth	-	279.56
Nil units (March 2019: 73,294.51 units) ICICI Prudential Liquid Plan - Direct Growth	-	20.26
Nil units (March 2019: 2,005.39 units) IDFC Cash Fund Growth Direct Plan	-	4.55
Nil units (March 2019: 8,338.53 units) SBI Premier Liquid Fund - Direct Plan Growth	-	24.41
1,338,486.49 units (March 2019: Nil) HDFC Floating Rate Debt Fund - Regular Plan Growth	47.00	-
10,185.83 units (March 2019: Nil) HDFC Money Market Fund - Regular Plan Growth	42.52	-
107,764.85 units (March 2019: Nil) ICICI Prudential Savings Fund - Growth	41.74	-
13,436.43 units (March 2019: Nil) Kotak Money Market Fund - Growth	44.34	-
14,606.62 units (March 2019: Nil) Kotak Liquid Fund - Regular Plan - Growth	58.43	-
18,904.23 units (March 2019: Nil) Baroda Liquid Fund - Plan B Growth	43.28	-
4,399.07 units (March 2019: Nil) UTI Liquid Cash Plan - Regular Plan - Growth	14.24	-
18,837.52 units (March 2019: Nil) UTI Money Market Fund - Regular Plan - Growth	42.35	-
	<b>333.90</b>	<b>384.68</b>
Aggregate amount of quoted investments	333.90	384.68
Aggregate market value of quoted investments	333.90	384.68

## 13 Trade receivables

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Unsecured</b>		
Considered good (refer note 13.1)	10,649.86	9,721.18
Less: Allowance for expected credit losses	(667.79)	(589.28)
<b>Net trade receivables</b>	<b>9,982.07</b>	<b>9,131.90</b>

Of the above, trade receivables from related party are as below:

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables from related parties*	117.35	835.21
Less: Allowance for expected credit losses	(99.85)	(111.01)
<b>Net trade receivables</b>	<b>17.50</b>	<b>724.20</b>

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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

13.1 The Company through a subcontracting arrangement with its associate, Trimax Smart Infraprojects Private Limited ("TSIPL") provides hardware, software, maintenance and technical support to Trimax IT Infrastructure & Services Limited ("Trimax"). The joint venture partner, Trimax, executed an agreement with Smart City Ahmedabad Development Limited ("SCADL") a government undertaking, in 2017 for supply, installation, commissioning and operation and maintenance for a Pan CIT infrastructure and intelligent command and control centre for the Ahmedabad Smart City ("Project"). As per the Tripartite agreement between TSIPL, Trimax and Axis Bank ("Escrow Agent"), amounts recoverable from SCADL will be deposited into an escrow account and 99.00% of the money received will be paid to TSIPL. TSIPL will utilize the proceeds to settle the obligation of the Company. On 21 February 2019, the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench ordered the commencement of Corporate Insolvency Resolution Process (CIRP) for Trimax based on a petition filed by Corporation Bank which had declared Trimax as an NPA on 31 March 2018.

During the quarter ended 31 December 2019, the Company, TSIPL and Trimax has entered into a Settlement cum Share Purchase Agreement ("SSPA") dated 15 October 2019 with the approval of Committee of Creditors ("CoC"). SSPA inter-alia provides for (i) Trimax IT's Agreement with SCADL shall be unconditionally and irrevocably assigned in favour of TSIPL (ii) TSIPL would be owner of 100.00% of rights to the escrow account (iii) Acquisition of remaining 49.00% stake in TSIPL by Company from Trimax for a purchase consideration of INR 130.00 million.

Consequently, as per the SSPA, the Company acquired remaining 49.00% equity stake in TSIPL and TSIPL has become 100% subsidiary of the Company. [refer note 4(ii) (b)]

During the year ended 31 March 2020, SCADL has remitted INR 306.08 million (net of TDS) to Escrow and a total of INR 381.00 million has been transferred from Escrow account to TSIPL bank account and then to Company's bank account. As at 31 March 2020, the group has outstanding trade receivables of INR 1,157.00 million from SCADL.

## 14 Cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Cash and cash equivalents</b>		
Cash in hand	7.87	5.54
Balances with banks		
In current accounts	6,784.89	4,964.34
In EEFC accounts	238.65	5.31
In deposit accounts (with original maturity of less than 3 months)	59.83	72.55
	<b>7,091.24</b>	<b>5,047.74</b>

## 15 Bank balances other than cash and cash equivalents

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts (mature within 12 months from the reporting date)*	495.99	807.23
	<b>495.99</b>	<b>807.23</b>

\*Fixed deposits to the tune of INR 415.87 million (31 March 2019: INR 533.67 million) are lien marked.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 16 Current loans

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Loans receivable considered good - unsecured</i>		
Security deposits	153.88	100.41
Provision for doubtful deposits	(1.29)	(5.21)
	<b>152.59</b>	<b>95.20</b>
<i>Other loans and advances</i>		
Loans to employees*	49.22	59.53
Loans to associates (refer note 48 and 53)	342.24	225.00
	<b>544.05</b>	<b>379.73</b>

\*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 2020	As at 31 March 2019
Unbilled revenue* (refer note 48)	8,824.98	7,040.20
Less: Allowance for expected credit losses	(12.19)	(8.00)
	<b>8,812.79</b>	<b>7,032.20</b>

\*includes unbilled revenue billable to related parties INR 44.11 million (31 March 2019: INR 46.28 million)

## 18 Other current financial assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	14.78	14.53
Interest receivable from related parties (refer note 48)	42.92	7.42
Due from related parties (refer note 48)	11.62	-
	<b>69.32</b>	<b>21.95</b>

## 19 Other current assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Advances other than capital advances</i>		
Prepaid expenses	732.18	477.68
Advances to suppliers	150.13	164.37
Travel advances to employees	8.19	22.39
Balances with government authorities	217.18	186.01
Other advances	193.49	172.80
	<b>1,301.17</b>	<b>1,023.25</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 20 Equity share capital

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
200,000,000 (31 March 2019: 200,000,000) equity shares of par value of INR 10.00 each	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and paid-up</b>		
147,510,694 (31 March 2019: 146,084,833) equity shares of par value of INR 10.00 each, fully paid up	1,475.11	1,460.85
	<b>1,475.11</b>	<b>1,460.85</b>

### 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 2020		As at 31 March 2019	
	Number of shares	Amount in INR Million	Number of shares	Amount in INR Million
<b>Equity shares</b>				
At the commencement of the year	146,084,833	1,460.85	145,484,178	1,454.84
Add: Shares issued on exercise of employee stock options [refer note 51]	538,680	5.39	600,655	6.01
Add: Shares issued on preferential allotment basis [refer note (i)]	754,437	7.54	-	-
Less: Cancellation of shares held by TCIL [refer note (iii)]	(71,323,496)	(713.23)	-	-
Add: Shares issued on acquisition of TCIL business [refer note (iii)]	71,456,240	714.56	-	-
<b>At the end of the year</b>	<b>147,510,694</b>	<b>1,475.11</b>	<b>146,084,833</b>	<b>1,460.85</b>

- (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 previous 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 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## Share holding pattern prior and post implementation of the Scheme:

(Amount in INR millions except number of shares)

Name of the Shareholder	Prior to implementation of Scheme		Post implementation of Scheme	
	No of Shares	Holding (%)	No of Shares	Holding (%)
Ajit Isaac	17,728,674	12.07%	17,728,674	12.02%
Isaac Enterprises Private Limited	15,365,824	10.46%	15,365,824	10.42%
Thomas Cook (India) Limited	71,323,496	48.57%	-	-
Fairbridge Capital (Mauritius) Limited*	-	-	46,876,237	31.78%
HWIC Asia Fund #	748,100	0.51%	748,100	0.51%
Public	41,692,271	28.39%	66,791,859	45.27%
<b>Total</b>	<b>146,858,365</b>	<b>100.00%</b>	<b>147,510,694</b>	<b>100.00%</b>

\*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.

- (iii) During the year ended 31 March 2018, the Company 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 each. The proceeds from IPP is INR 8,475.49 million (net of issue expenses).

Details of utilisation of IPP proceeds are as follows:

(Amount in INR millions)

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	62,500.00	62,500.00	-
Funding incremental working capital requirement of the Company	15,000.00	15,000.00	-
General corporate purpose	7,254.90	7,254.90	-
<b>Total</b>	<b>84,754.90</b>	<b>84,754.90</b>	<b>-</b>

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.

## 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.

## 20.3 Details of shareholders holding more than 5% shares in the Company (refer note 20.1)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Holding (%)	Number of shares	Holding (%)
<b>Equity shares</b>				
Equity shares of par value INR 10.00 each				
Thomas Cook (India) Limited	-	-	71,323,496	48.82%
Fairbridge Capital (Mauritius) Limited	46,876,237	31.78%	-	-
Ajit Isaac	17,947,523	12.17%	17,654,674	12.09%
Net Resource Investments Private Limited*	-	-	15,365,824	10.52%
Isaac Enterprises Private limited*	15,365,824	10.42%	-	-
Aditya Birla Sun Life Trustee Private Limited	9,572,569	6.49%	-	-

\*Pursuant to the Scheme of Arrangement between Net Resources Investments Private Limited and Isaac Enterprises Private Limited which has been approved by Honourable 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

**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 numbers)

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Bonus shares issued	-	-	-	-	85,001,292
Shares issued on exercise of employee stock options (refer note 51)	538,680	600,655	619,925	837,608	-

## 21 Other equity\*

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium (refer note 21.1)	16,984.51	16,851.09
Stock options outstanding account (refer note 21.2)	134.98	116.21
Foreign currency translation reserve (refer note 21.3)	247.79	21.65
Capital reserve (refer note 21.4)	(3.33)	4.47
Debenture redemption reserve (refer note 21.5)	103.13	168.75
General reserve	21.56	21.56
Other comprehensive income (excluding foreign currency translation reserve) [refer note 21.6]	(153.42)	(10.08)
Capital redemption reserve (refer note 21.7)	150.00	150.00
Retained earnings	3,799.07	8,471.36
	<b>21,284.29</b>	<b>25,795.01</b>

\* 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, 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 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.

### 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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. The amount of INR 4.47 million represents capital reserve arising out of business combination of IME Consultancy.

During the year 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. As of 31 March 2020 the DRR balance was INR 103.13 million (31 March 2019: INR 168.75 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 2020	As at 31 March 2019
Non-controlling interests [refer note 22.2]	769.04	30.99
	<b>769.04</b>	<b>30.99</b>

**22.1** Pertains to Allsec Technologies 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)(a)] 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 2020

## 23 Non-current borrowings\*

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Secured</i>		
Non-convertible debentures [refer note 23.1(a) & 23.2]	748.09	1,489.47
Term loans [refer note 23.1(b), 23.1(c), 23.3 and 23.4]	1,733.98	787.50
Finance lease obligations [refer note 23.1(d) & 23.5]	15.04	220.90
NSDC loan [refer note 23.1(e) & 23.6]	114.65	49.85
Vehicle loan [refer note 23.1(f), 23.1(g), 23.7 & 23.8]	45.65	45.40
<b>Total borrowing</b>	<b>2,657.41</b>	<b>2,593.12</b>
Less: Current maturities of long-term borrowings [refer note 29]	(1,492.70)	(342.88)
Less: Current maturities of finance lease obligations [refer note 29]	(15.04)	(160.05)
	<b>1,149.67</b>	<b>2,090.19</b>

\*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 2020	Carrying amount as at 31 March 2019
(a) Secured non-convertible debentures	INR	8.50%	2022	748.09	1,489.47
(b) Secured term loan	SGD	3M LIBOR + 2.00%	2022	1,347.86	716.94
(c) Secured loan	CAD	CDOR + 2.5%	2025	386.12	70.56
(d) Finance lease obligations	USD	3.00% to 4.00%	2024	15.04	220.90
(e) Secured NSDC loan	INR	6.00%	2021	114.65	49.85
(f) Vehicle loan	INR	9.25% to 11.87%	2023	41.62	45.40
(g) Vehicle loan	INR	8.00% to 10.00%	2023	4.03	-
<b>Total borrowings</b>				<b>2,657.41</b>	<b>2,593.12</b>

### 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.

(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)
<b>Net proceeds</b>	<b>1,482.77</b>
Add: Accrued interest	0.54
<b>Carrying amount of liability at 31 March 2017</b>	<b>1,483.31</b>
Add: Accrued interest	2.96
<b>Carrying amount of liability at 31 March 2018</b>	<b>1,486.27</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 23.2 Non-convertible debentures (Contd..)

(Amount in INR millions)

Particulars	Amount
Add: Accrued interest	3.20
<b>Carrying amount of liability at 31 March 2019</b>	<b>1,489.47</b>
Less: Redeemed during the year (refer note 21.5)	(750.00)
Add: Accrued interest	8.62
Less: Reclassed to current maturities of long-term borrowings (refer note 29)	(748.09)
<b>Carrying amount of liability at 31 March 2020</b>	<b>-</b>

## 23.3 Term loan

During the 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.

**23.4** During the 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 ICICI 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 certain North America subsidiaries.

**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.

**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** The Group has taken loan from TATA Capital Financial Services Limited. This is repayable in 36 equal monthly instalments and carries a floating rate of interest which is based on long-term lending rate (LTLR) less 7.75% which is presently at 10.50% p.a. The loan is secured by mortgage of property. The loan was repaid during the previous year.

**23.8** 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.

## 24 Lease liability

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current lease liability	2,194.38	-
Current lease liability	1,048.91	-
	<b>3,243.29</b>	<b>-</b>

Transition Effective 1 April 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included for year ended 31 March 2019. On transition, the adoption of the new standard resulted in recognition of right-of-use



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 24 Lease liability (Contd..)

asset of INR 3,092.98 million, and a lease liability of INR 3,104.69 million. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the movement in lease liabilities:

Particulars	(Amount in INR millions)
	For the year ended 31 March 2020
Operating lease recognised on adoption of Ind AS 116	2,802.94
Add: Additions through business combination	301.75
Add: Additions	1,086.82
Less: Deletions	(33.73)
Add: Finance cost accrued during the period	298.12
Less: Repayment of lease liabilities	(1,265.21)
Add: Translation exchange difference	52.60
<b>Carrying amount as at 31 March 2020</b>	<b>3,243.29</b>

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2020 on an undiscounted basis:

Particulars	(Amount in INR millions)
	For the year ended 31 March 2020
Less than one year	1,282.40
One to five years	2,437.68
More than five years	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 289.45 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

Particulars	(Amount in INR millions)	
	As at 31 March 2020	As at 31 March 2019
Contingent consideration [payable for acquisition of business (refer note 48)]	29.73	47.60
Consideration payable	-	94.06
Non-controlling interests put option [refer note 25.1 and 25.2]	1,977.00	1,921.86
	<b>2,006.73</b>	<b>2,063.52</b>

**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) [refer note 4(iii)(c) and 4(ii)(d)].

**25.2** On 19 December 2019, 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. As at 31 March 2020, the Company holds 88.71% equity stake in VCSP.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 26 Non-current provisions

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 49)	1,330.96	857.52
Provision for compensated absences	17.56	162.33
<b>Others</b>		
Provision for disputed claims (refer note 26.1 and 45)	111.98	111.98
Provision for rent escalation	-	16.86
	<b>1,460.50</b>	<b>1,148.69</b>

### 26.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 as follows:

#### Provision for disputed claims

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Balance as at the beginning of the year</b>	<b>111.98</b>	<b>93.71</b>
Provision recognized	-	18.27
Provision utilized	-	-
<b>Balance as at the end of the year</b>	<b>111.98</b>	<b>111.98</b>

#### 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.

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 has appealed against the ruling which is pending with the Joint Commissioner of Commercial Taxes [JCCT (A)] Bangalore. The Company has 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.

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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 27 Current borrowings

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Loans from bank repayable on demand</b>		
<i>Secured</i>		
Cash credit and overdraft facilities (refer note 27.1)	298.39	2,535.35
Bill discounting facility from bank (refer note 27.2)	47.67	56.02
Working capital loan (refer note 27.3)	8,480.54	2,487.92
<b>Loan from related parties, unsecured</b>		
From Fairfax (US), Inc. (refer note 27.4)	-	276.62
From Fairfax Financial Holdings Limited (refer note 27.5)	-	55.49
	<b>8,826.60</b>	<b>5,411.40</b>

Information about the Group's exposure to interest rate and liquidity risk is included in note 42.

**27.1** The Group has taken cash credit and overdraft facilities having interest rates ranging from 1 month - 3 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 facilities from banks having interest rate of bank rate plus 1.75%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the certain current and movable assets of the Group on both present and future excluding charge on vehicles/equipment's purchased /to be purchased under lease agreements/ hire purchase agreements.

**27.3** The Group has taken working capital loan from banks having interest rate ranging from 7.75% p.a. to 10.50% p.a and CDOR ("Canadian Dealer Offered Rate") plus 2.15%. 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** MFExchange 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. 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)] is repaid during the year.

## 28 Trade payables

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 50)	-	-
Trade payables to related parties (refer note 48)	162.56	199.87
Total outstanding dues of creditors other than micro enterprises and small enterprises and related parties	1,470.01	1,529.30
	<b>1,632.57</b>	<b>1,729.17</b>

The Group's exposure to currency and liquidity risk related to trade payables is disclosed in note 42.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 29 Other current financial liabilities

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (refer note 23)	1,492.70	342.88
Current maturities of finance lease obligations (refer note 23)	15.04	160.05
<b>Payable for acquisition of business</b>		
Consideration payable	-	108.79
Current maturities of financial liabilities [refer note 29.1, 29.2 and 29.3]	-	307.39
Interest accrued and not due	43.07	37.73
Amount payable to related parties (refer note 48)	27.98	17.18
Capital creditors	15.26	37.79
Unclaimed dividend	0.46	-
<b>Other Payables</b>		
Accrued salaries and benefits	2,963.78	3,505.67
Provision for bonus and incentive	522.48	418.42
Provision for expenses (refer note 48)	2,532.05	2,566.94
Uniform deposits	2.38	5.96
	<b>7,615.20</b>	<b>7,508.80</b>

The Group's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 42.

**29.1** This represents fair value of contractual commitment to acquire non-controlling interests other than put option.

**29.2** On 5 November 2019, 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 Qness Corp Limited, Manipal Integrated Services Private Limited, GSFS and Anita Verghese. Consequently GSFS has become 100.00% subsidiary of the Company.

**29.3** On 7 May 2019, the Company acquired balance 10.00% equity stake in Greenpiece Landscapes India Private Limited ("GLIPL") at a consideration of INR 28.00 million and consequently, GLIPL has become 100.00% subsidiary of the Company.

## 30 Income tax liabilities (net)

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for tax (net of advance tax) [refer note 9]	71.77	85.37
	<b>71.77</b>	<b>85.37</b>

## 31 Current provisions

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>		
Provision for compensated absences	87.99	99.45
<b>Other provisions</b>		
Provision for warranty (refer note 31.1)	5.48	-
	<b>93.47</b>	<b>99.45</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 31.1 The disclosures of provisions movement as required under the provisions of Ind AS 37 as follows:

### Provision for warranty

(Amount in INR millions)

Particulars	As at	
	31 March 2020	31 March 2019
<b>Balance as at the beginning of the year</b>	-	-
Add: additions through business combinations [refer note 4 (ii)(b)]	5.39	-
Add: charged/(credited) to profit or loss	0.09	-
Add: Additional provisions	-	-
Less: Unused amount reversed	-	-
<b>Balance as at the end of the year</b>	<b>5.48</b>	-

### 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 2020	As at 31 March 2019
Unearned revenue	725.63	757.34
Advance received from customers	68.21	42.37
Balances payable to government authorities	2,609.25	1,827.37
Provision for rent escalation	-	12.83
Security deposits	152.61	52.48
	<b>3,555.70</b>	<b>2,692.39</b>

## 33 Revenue from operations

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Revenue from business segments*		
Workforce management	71,541.69	50,353.31
Operating asset management	17,340.44	17,020.44
Tech services	21,032.69	17,896.18
	<b>109,914.82</b>	<b>85,269.93</b>

\* Consequent to an internal reorganization, the Company with effect from 1 April 2019, has changed the business segments 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 'Tech services' which was previously included under Technology solutions and Internet business segment respectively.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (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.

## (iii) 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 2020	As at 31 March 2019
Receivables, which are included in 'Trade and other receivables'	9,982.07	9,131.90
Unbilled revenue	8,812.79	7,032.20
Unearned revenue	725.63	757.34

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 2020  
(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Balance as at the beginning of the year</b>	<b>7,032.20</b>	<b>4,728.75</b>
Add: Changes due to business combinations	150.75	43.18
Add: Revenue recognized during the year	23,134.60	8,109.67
Less: Invoiced during the year	(21,503.97)	(5,838.88)
Less: Impairment / (reversal) during the year	(33.91)	(25.20)
Add: Translation exchange difference	33.12	14.68
<b>Balance as at the end of the year</b>	<b>8,812.79</b>	<b>7,032.20</b>

The following table discloses the movement in unearned revenue balances for the year ended 31 March 2020  
(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Balance as at the beginning of the year</b>	<b>757.34</b>	<b>766.59</b>
Less: Revenue recognized during the year	(2,522.10)	(1,118.38)
Add: Changes due to business combinations	-	0.28
Add: Invoiced during the period but not recognized as revenues during the year	2,468.72	1,103.79
Add: Translation exchange difference	21.67	5.06
<b>Balance as at the end of the year</b>	<b>725.63</b>	<b>757.34</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (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 2020, other than those meeting the exclusion criteria mentioned above, is INR 1,949.97 million (31 March 2019: INR 281.31 million). Out of this, the Group expects to recognize revenue of around 50.00% (31 March 2019: 56.00%) within the next one year and the remaining thereafter.

## 34 Other income

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Interest income under the effective interest rate method on:		
Deposits with banks	95.85	159.04
Amortised cost adjustments for financial instruments	32.87	19.30
Interest on tax refunds received	23.55	61.64
Profit on sale of property, plant and equipment and intangible assets	6.97	-
Foreign exchange gain	64.43	26.12
Interest on loans given to related parties (refer note 48)	196.62	166.93
Net gain on sale of investments in mutual funds	66.04	81.53
Rent from letting out properties	2.46	7.16
Liabilities no longer required written back	16.32	4.80
Bad debts recovered	-	1.29
Change in fair value of contingent consideration	18.50	149.57
Net fair value (loss)/gains on mutual funds	(37.27)	2.98
Miscellaneous income	24.55	31.90
	<b>510.89</b>	<b>712.26</b>

## 35 Cost of material and stores and spare parts consumed

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Inventory at the beginning of the year	220.82	84.95
Add: Purchases	2,733.51	2,759.92
Less: Inventory at the end of the year	(283.78)	(220.82)
<b>Cost of materials and stores and spare parts consumed</b>	<b>2,670.55</b>	<b>2,624.05</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 36 Employee benefits expenses

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Salaries and wages	82,353.51	61,067.24
Contribution to provident and other funds	7,403.07	5,161.72
Expenses related to post-employment defined benefit plan	381.64	295.76
Expenses related to compensated absences	(119.58)	6.80
Staff welfare expenses	596.97	554.23
Expense on employee stock option scheme	18.77	46.37
	<b>90,634.38</b>	<b>67,132.12</b>

## 37 Finance costs

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Interest expense on financial liabilities at amortized cost	1,205.30	900.12
Interest expense on non-convertible debentures	121.20	191.43
Interest expense on lease liabilities	298.12	-
Other borrowing costs	43.39	52.44
	<b>1,668.01</b>	<b>1,143.99</b>

## 38 Depreciation and amortisation expense

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Depreciation of property, plant and equipment [refer note 3(a)]	653.96	660.03
Depreciation of Right-of-use assets [refer note 3(b)]	1,195.88	-
Amortisation of intangible assets (refer note 5)	636.23	571.47
	<b>2,486.07</b>	<b>1,231.50</b>

## 39 Other expenses

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Sub-contractor charges	2,146.84	2,598.92
Recruitment and training expenses	866.26	763.00
Rent (refer note 24)	289.45	1,037.53
Power and fuel	426.44	335.04
Repairs & maintenance		
- buildings	339.17	375.24
- plant and machinery	328.96	206.69
- others	741.06	641.35
Legal and professional fees (refer note 39.1)	576.66	606.69
Rates and taxes	185.61	90.47
Printing and stationery	106.48	108.89

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 39 Other expenses (Contd..)

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Stores and tools consumed	204.71	501.53
Shipment delivery expenses (refer note 39.2)	582.32	541.76
Travelling and conveyance	919.87	946.34
Communication expenses	460.21	434.08
Loss allowance on financial assets, net [refer note 42 (i)]	235.86	214.30
Provision for security deposits	-	6.55
Equipment hire charges	254.24	288.94
Insurance	323.43	141.35
Database access charges	52.00	47.17
Technological support services	23.72	25.81
Bank charges	25.26	29.86
Business promotion and advertisement expenses	518.95	423.66
Marketing expenses (refer note 39.2)	196.87	399.29
Loss on sale of fixed assets, net	38.46	2.57
Expenditure on corporate social responsibility (refer note 39.3)	51.88	40.30
Deposits/advances written-off	71.28	4.07
Miscellaneous expenses	65.88	56.58
	<b>10,031.87</b>	<b>10,867.98</b>

**39.1** The total transaction cost related to acquisitions made during the year amounting to INR 28.29 million (31 March 2019: INR 21.01 million) have been included under legal and professional fees in the consolidated statement of profit and loss.

**39.2** Shipment delivery expenses in Dependo Logistics Solutions Private Limited and Marketing expenses in Monster.com (India) Private Limited are direct expenses incurred to generate revenue.

### 39.3 Details of CSR expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2.00% 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 2020	31 March 2019
a) Gross amount required to be spent by the Group during the year	50.37	37.13
b) Amount spent during the year		
i) Construction or acquisition of any asset	-	-
ii) On purpose other than i) above	51.88	40.30

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 40 Exceptional items

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
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	-
	<b>6,640.52</b>	<b>-</b>

## 41 Financial instruments - fair value and risk management

### Financial instruments by category

(Amount in INR millions)

Particulars	Note	31 March 2020			31 March 2019		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets:</b>							
Non-current investments	6	-	16.55	-	-	16.55	-
Loans	7 & 16	-	-	2,218.00	-	-	2,804.06
Current investments	12	333.90	-	-	384.68	-	-
Trade receivables	13	-	-	9,982.07	-	-	9,131.90
Cash and cash equivalents including other bank balances	14 & 15	-	-	7,587.23	-	-	5,854.97
Unbilled revenue	17	-	-	8,812.79	-	-	7,032.20
Other financial assets	8 & 18	-	-	681.15	-	-	825.19
<b>Total financial assets</b>		<b>333.90</b>	<b>16.55</b>	<b>29,281.24</b>	<b>384.68</b>	<b>16.55</b>	<b>25,648.32</b>
<b>Financial Liabilities:</b>							
Non-convertible debentures	23	-	-	748.09	-	-	1,489.47
Borrowings other than above*	23 & 27	-	-	9,228.18	-	-	6,012.12
Trade payables	28	-	-	1,632.57	-	-	1,729.17
Other financial liabilities	25 & 29	2,006.73	-	10,858.49	1,969.46	-	7,602.86
<b>Total financial liabilities</b>		<b>2,006.73</b>	<b>-</b>	<b>22,467.33</b>	<b>1,969.46</b>	<b>-</b>	<b>16,833.62</b>

\*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:

- recognised and measured at fair value
- 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 2020

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 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		29,631.69	333.90	-	16.55
Financial liabilities not measured at fair value					
Non-convertible debentures	23	748.09	748.09	-	-
Lease obligations	24	3,258.33	-	-	-
Borrowings other than above*	23 & 27	9,228.18	-	-	-
Trade payables	28	1,632.57	-	-	-
Other financial liabilities	25 & 29	7,600.16	-	-	-
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		24,474.06	748.09	-	2,006.73

\*Current maturities of long-term borrowings forms part of other financial liabilities

(Amount in INR millions)

Particulars	Note	Carrying amount	Fair value		
		31 March 2019	Level 1	Level 2	Level 3
Financial assets not measured at fair value					
Loans	7 & 16	2,804.06	-	-	-
Trade receivables	13	9,131.90	-	-	-
Cash and cash equivalents including other bank balances	14 & 15	5,854.97	-	-	-
Unbilled revenue	17	7,032.20	-	-	-
Other financial assets	8 & 18	825.19	-	-	-
Financial assets measured at fair value					
Non-current investments	6	16.55	-	-	16.55
Current investments	12	384.68	384.68	-	-
Total financial assets		26,049.55	384.68	-	16.55
Financial liabilities not measured at fair value					
Non-convertible debentures	23	1,489.47	1,489.47	-	-
Finance lease obligations	23 & 27	380.95	-	-	-
Borrowings other than above*	23 & 27	5,631.17	-	-	-
Trade payables	28	1,729.17	-	-	-
Other financial liabilities	25 & 29	7,602.86	-	-	-
Financial liabilities measured at fair value					
Contingent consideration	25	47.60	-	-	47.60
Non-controlling interests put option	25	1,921.86	-	-	1,921.86
Total financial liabilities		18,803.07	1,489.47	-	1,969.46

\*Current maturities of long-term borrowings forms part of other financial liabilities

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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.
- 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):

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## Financial instruments measured at fair value

(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.

(Amount in INR millions)

Particulars	Fair Value as at 31 March 2019	Significant unobservable inputs	Fair Value as at 31 March 2019		Sensitivity
			Increase by 1%	Decrease by 1%	
Contingent consideration	47.60	Risk adjusted discount rate	47.25	47.94	Increase in discount rate by 1% would decrease the fair value by INR 0.35 million and decrease in discount rate by 1% would increase the fair value by INR 0.35 million.
		EBITDA projection	48.08	47.11	Increase in EBITDA projection by 1% would increase the fair value by INR 0.48 million and decrease in EBITDA projection by 1% would decrease the fair value by INR 0.48 million.
		PAT projection	48.08	47.11	Increase in PAT by 1% would increase the fair value by INR 0.48 million and decrease in PAT by 1% would decrease the fair value by INR 0.48 million.
Non-controlling interests put option	1,921.86	Risk adjusted discount rate	1,796.91	2,064.68	Increase in discount rate by 1% would decrease the fair value by INR 124.95 million and decrease in discount rate by 1% would increase the fair value by INR 142.81 million.
		EBITDA projection	1,942.13	1,901.59	Increase in EBITDA projection by 1% would increase the fair value by INR 20.27 million and decrease in EBITDA projection by 1% would decrease the fair value by INR 20.27 million.
		Revenue projection	1,942.13	1,901.59	Increase in revenue projection by 1% would increase the fair value by INR 20.27 million and decrease in revenue projection by 1% would decrease the fair value by INR 20.27 million.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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*
<b>Balance as at 31 March 2018</b>	<b>29.77</b>	<b>134.24</b>	<b>1,880.42</b>	<b>1,576.03</b>
Assumed in a business combination	-	-	(99.83)	-
Settlement	(13.22)	-	-	(1,272.56)
Transferred to consideration payable	-	-	-	(451.32)
Net change in fair value	-	(86.64)	141.27	147.85
<b>Balance as at 31 March 2019</b>	<b>16.55</b>	<b>47.60</b>	<b>1,921.86</b>	<b>-</b>
Assumed in a business combination	-	-	-	-
Settlement	-	-	(84.38)	-
Net change in fair value	-	(17.87)	139.52	-
<b>Balance as at 31 March 2020</b>	<b>16.55</b>	<b>29.73</b>	<b>1,977.00</b>	<b>-</b>

\* 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 Qess 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 2020

## **Trade receivables and unbilled revenue**

The Group's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Group has established a credit policy under which each new 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 2020 and 31 March 2019 are as follows:**

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from customers and unbilled revenue.

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 Group'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 economic conditions over the expected collection period of the 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 2020	31 March 2019
<b>Balance as at the beginning of the year</b>	<b>(597.28)</b>	<b>(528.27)</b>
Additions through business combinations	(1.98)	(42.14)
Disposals	-	1.56
Impairment loss allowances (recognised)/ reversed	(235.86)	(214.30)
Bad debts written off	155.85	185.59
Translation exchange differences	(0.71)	0.28
<b>Balance as at the end of the year</b>	<b>(679.98)</b>	<b>(597.28)</b>

## **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.

## **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 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and exclude netting arrangements:

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

As at 31 March 2020

(Amount in INR millions)

Particulars	Carrying amount	Contractual cash flows			
		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	-	-	-
Other financial liabilities	11,372.52	10,824.68	273.64	269.64	4.56

\* Current maturities of long-term borrowings are included under borrowings and excluded from other financial liabilities

As at 31 March 2019

(Amount in INR millions)

Particulars	Carrying amount	Contractual cash flows			
		0-1 years	1-2 years	2-5 years	5 years and above
Borrowings*	8,004.51	5,914.33	528.06	1,562.12	-
Trade payables	1,729.17	1,729.17	-	-	-
Other financial liabilities	9,069.38	7,005.87	246.16	1,817.36	-

\* 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. The Group had unutilized borrowing limits to the extent of INR 5,450.35 million as on 27 May 2020.

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 2020		As at 31 March 2019	
		Foreign currency*	Amount in INR million	Foreign currency*	Amount in INR million
Trade and other receivables	USD	1,830,577	132.00	6,802,534	470.43
	EURO	111,476	8.85	254,956	19.80
	CAD	-	-	3,602	0.19
	AED	1,157,909	23.85	1,687,290	31.77
	GBP	249,526	23.32	97,754	8.85
	HKD	-	-	152,701	1.35
	MYR	-	-	2,227,818	37.74

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## Exposure to currency risk (Contd..)

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Foreign currency*	Amount in INR million	Foreign currency*	Amount in INR million
	PHP	16,217,839	23.85	13,639,442	17.98
	QAR	11,718	0.24	2,632	0.05
	VND#	-	-	22,869	0.00
	CNH	-	-	110,891	1.14
Trade and other payables	USD	938,054	70.75	523,381	36.19
	EURO	10,080	0.83	52,860	4.11
	CAD	-	-	196,926	10.15
	AED	32,686	0.67	214,755	4.04
	PHP	119,948	0.18	909,801	1.20
	SAR	19,522	0.39	25,629	0.47

\*Foreign currency values are in actuals and not recorded in million.

# Amounts are less than INR 1000.00

The following significant exchange rates have been applied

Particulars	Year end spot rate	
	31 March 2020	31 March 2019
USD/INR	74.47	69.16
EUR/INR	82.77	77.67
CAD/INR	53.08	51.54
SAR/INR	20.15	18.44
AED/INR	20.60	18.83
GBP/INR	93.50	90.53
HKD/INR	9.76	8.81
MYR/INR	17.52	16.94
PHP/INR	1.47	1.32
QAR/INR	20.64	19.00
100 VND/INR	0.32	0.32
CNH/INR	10.65	10.29
SGD/INR	51.04	49.82

## Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD, EUR, CAD, SAR, AED, GBP, HKD, MYR, PHP, QAR, VND and CNH against INR at 31 March 2020 and 31 March 2019 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
<b>31 March 2020</b>				
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)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## Sensitivity analysis(Contd..)

(Amount in INR millions)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
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>31 March 2019</b>				
USD (6.11% movement)	265.17	(265.17)	173.40	(173.40)
EUR (4.07% movement)	6.09	(6.09)	3.98	(3.98)
CAD (1.76% movement)	(1.75)	1.75	(1.14)	1.14
SAR (6.54% movement)	(0.29)	0.29	(0.19)	0.19
AED (6.10% movement)	16.91	(16.91)	11.06	(11.06)
GBP (1.92% movement)	1.68	(1.68)	1.10	(1.10)
HKD (6.08% movement)	0.82	(0.82)	0.53	(0.53)
MYR (0.43% movement)	1.62	(1.62)	1.06	(1.06)
PHP (6.12% movement)	10.27	(10.27)	6.71	(6.71)
QAR (6.56% movement)	0.03	(0.03)	0.02	(0.02)
VND (7.14% movement)*	0.00	(0.00)	0.00	(0.00)
CNH (0.50% movement)	0.10	(0.10)	0.07	(0.07)

\*Amounts are less than INR 1,000.00

## 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 2020	As at 31 March 2019
Variable rate borrowings	2,625.64	3,526.33
Fixed rate borrowings	8,858.37	4,478.19
<b>Total borrowings</b>	<b>11,484.01</b>	<b>8,004.52</b>

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
<b>31 March 2020</b>				
Variable rate borrowings	(26.26)	26.26	(19.65)	19.65
<b>31 March 2019</b>				
Variable rate borrowings	(35.26)	35.26	(24.77)	24.77

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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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 2020	As at 31 March 2019
Investments in mutual fund units	333.90	384.68

### (b) Sensitivity

(Amount in INR millions)

Particulars	Impact on profit after tax	
	1% Increase	1% decrease
31 March 2020	3.34	(3.34)
31 March 2019	3.85	(3.85)

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.

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 2020	As at 31 March 2019
Gross debt	11,484.01	8,004.52
Less: Cash and cash equivalents	7,091.24	5,047.74
<b>Adjusted net debt</b>	<b>4,392.77</b>	<b>2,956.78</b>
Total equity	22,759.40	27,255.86
<b>Net debt to equity ratio</b>	<b>0.19</b>	<b>0.11</b>

## 44 Capital commitments

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	159.56	59.66
	<b>159.56</b>	<b>59.66</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 45 Contingent liabilities and commitments (to the extent not provided for)

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Corporate guarantee given as security for loan availed by related party [refer note 45.4]	220.00	220.00
Bonus [refer note 45.5]	325.88	325.88
Provident fund [refer note 45.1, 45.3 and 45.6]	32.17	32.17
Direct and indirect tax matters [refer note 45.1 and 45.3]	93.92	133.66
Other claims [refer note 45.2 and 45.3]	41.46	64.81

**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)

Related party	As at 1 April 2019	Given during the financial year	expired during the financial year	As at 31 March 2020
Terrier Security Services (India) Private Ltd	220.00	-	-	220.00
<b>Total</b>	<b>220.00</b>	<b>-</b>	<b>-</b>	<b>220.00</b>

(Amount in INR millions)

Related party	As at 1 April 2018	Given during the financial year	expired during the financial year	As at 31 March 2019
Terrier Security Services (India) Private Ltd	220.00	220.00	(220.00)	220.00
<b>Total</b>	<b>220.00</b>	<b>220.00</b>	<b>(220.00)</b>	<b>220.00</b>

**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.

# Notes to the Consolidated Financial Statements

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**45.6** On 29 June 2019 the Company had received a notice from the Regional PF Commissioner ("RPFC") under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("Act") stating that 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 ("EPFO") order along with the application under Section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident Fund Contributions till the final disposal of the Appeal. On 23 October 2019 the CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order for a period of 3 months. The matter was listed for hearing on 3 January 2020, wherein the CGIT on request of the RPFC extended the time till 1 April 2020. Due to lockdown the same has been adjourned to 23 June 2020. 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.

## 46 Earnings per share

(Amount in INR millions except number of shares and per share data)

Particulars	For the year ended	
	31 March 2020	31 March 2019
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)	(4,446.93)	2,567.41
Weighted average number of shares used in computing basic earnings per share	146,870,378	145,791,911
<b>Basic (loss)/earnings per share (INR)</b>	<b>(30.28)</b>	<b>17.61</b>
Weighted average number of shares used in computing diluted earnings per share	147,157,668	146,595,041
<b>Diluted (loss)/earnings per share (INR)</b>	<b>(30.22)</b>	<b>17.51</b>

### Computation of weighted average number of shares

Particulars	For the year ended	
	31 March 2020	31 March 2019
<b>Number of equity shares outstanding at beginning of the year</b>	146,084,833	145,484,178
<b>Add: Weighted average number of equity shares issued during the year</b>		
- 132,744 number of equity shares issued for TCIL merger on 1 April 2019 for 366 days [refer note 20.1 (ii)]	132,744	-
- 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	218,623	-
- 754,437 number of equity shares issued under preferential allotment on 26 September 2019 for 188 days [refer note 20.1]	387,525	-
- 600,655 number of equity shares issued under ESOP scheme on 26 September 2018 for 187 days	-	307,733
<b>Weighted average number of shares outstanding at the end of year for computing basic earnings per share</b>	<b>146,841,985</b>	<b>145,791,911</b>
<b>Add: Impact of potentially dilutive equity shares</b>		
- 299,476 [31 March 2019: 836,126] number of ESOP's at fair value	287,290	803,130
<b>Weighted average number of shares outstanding at the end of year for computing diluted earnings per share</b>	<b>147,129,275</b>	<b>146,595,041</b>



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## 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.
Tech services	It provides BPO services, break fix services and technology solutions and products.

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 center, 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 'Tech services' which was previously included under Technology solutions and Internet business segment respectively.

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

### A 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	Tech services	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)
<b>Segment result</b>	<b>3,874.32</b>	<b>1,223.55</b>	<b>2,327.16</b>	<b>-</b>	<b>7,425.03</b>
Other income	-	-	-	510.89	510.89
Depreciation and amortisation expense	-	-	-	(2,486.07)	(2,486.07)
Finance costs	-	-	-	(1,668.01)	(1,668.01)

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## A Operating segment information for the period from 1 April 2019 to 31 March 2020 is as follows: (Contd..)

(Amount in INR millions)

Particulars	Workforce Management	Operating Asset Management	Tech services	Unallocated	Total
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)
<b>Profit/(loss) before taxation</b>	<b>3,874.32</b>	<b>1,223.55</b>	<b>2,327.16</b>	<b>(11,269.05)</b>	<b>(3,844.02)</b>
Taxation	-	-	-	(474.76)	(474.76)
<b>Profit/(loss) after taxation</b>	<b>3,874.32</b>	<b>1,223.55</b>	<b>2,327.16</b>	<b>(11,743.81)</b>	<b>(4,318.78)</b>
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

## Operating segment information for the period from 1 April 2018 to 31 March 2019 is as follows:

(Amount in INR millions)

Particulars	Workforce Management	Operating Asset Management	Tech services	Unallocated	Total
Segment revenue	50,353.31	17,020.44	17,896.18	-	85,269.93
Segment cost	(47,258.48)	(15,678.18)	(16,919.64)	-	(79,856.30)
<b>Segment result</b>	<b>3,094.83</b>	<b>1,342.26</b>	<b>976.54</b>	<b>-</b>	<b>5,413.63</b>
Other income	-	-	-	712.26	712.26
Depreciation and amortisation expense	-	-	-	(1,231.50)	(1,231.50)
Finance costs	-	-	-	(1,143.99)	(1,143.99)
Unallocated corporate expenses	-	-	-	(767.85)	(767.85)
Share of profit/ (loss) of equity accounted investees (net of income tax)	-	-	-	(88.09)	(88.09)
<b>Profit before taxation</b>	<b>3,094.83</b>	<b>1,342.26</b>	<b>976.54</b>	<b>(2,519.17)</b>	<b>2,894.46</b>
Taxation	-	-	-	(328.97)	(328.97)
<b>Profit after taxation</b>	<b>3,094.83</b>	<b>1,342.26</b>	<b>976.54</b>	<b>(2,848.14)</b>	<b>2,565.49</b>
Segment assets	11,961.38	13,489.91	10,402.98	14,262.46	50,116.73
Segment liabilities	4,051.59	2,807.27	5,624.39	10,346.65	22,829.88
Capital expenditure	259.47	127.13	553.10	8.04	947.74

## 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)

Particulars	Revenue		Non-current assets*	
	For the year ended		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
India	96,900.25	72,535.54	16,327.68	16,910.53
Other countries:				
- Singapore	5,017.26	4,965.39	2,222.94	2,137.31
- Canada	2,839.33	3,340.38	445.95	373.51
- United States of America	2,335.79	2,502.71	815.13	1,158.93
- Rest of the world	2,822.19	1,925.91	325.31	316.38
<b>Total</b>	<b>109,914.82</b>	<b>85,269.93</b>	<b>20,137.01</b>	<b>20,896.66</b>

\*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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## C Major customer

None of the customers of the Group has revenue which is more than 10.00 % of the Group's total revenue.

## 48 Related party disclosures

### (i) Name of related parties and description of relationship:

- |   |   |
|---|---|
| - Entities having significant influence                               | Fairfax Financial Holdings Limited<br>Fairfax (US) Inc.<br>Fairbridge Capital (Mauritius) Limited<br>Thomas Cook (India) Limited (till 1 April 2019) [refer note 20.1]<br>National Collateral Management Services Limited<br>Net Resources Investments Private Limited<br>Isaac Enterprises Private limited |
| - Subsidiaries, associates and joint venture                          | Refer note 48 (ii)  |
| - Entities having common directors                                    | Go Digit Infoworks Service Private Limited<br>Go Digit General Insurance Limited  |
| - Entity in which key managerial personnel have significant influence | Careworks foundation  |

### Key executive management personnel

- |                          |   |
|--------------------------|---|
| Ajit Isaac               | Chairman & Managing Director  |
| 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 (w.e.f 1 April 2020)                      |
| Manoj Jain               | Chief Financial Officer (upto 27 June 2019)                             |
| Subramanian Ramakrishnan | Chief Financial Officer (w.e.f 27 June 2019)                            |
| Kundan K. Lal            | Company Secretary (w.e.f. 17 April 2019)                                |

### (ii) List of subsidiaries (including step-subsiidiaries), associates and joint venture

Name of the entity	Note	Nature of relation	Country of domicile	Holdings as at	
				31 March 2020	31 March 2019
Coachieve Solutions Private Limited	1	Subsidiary	India	-	100.00%
MFX Infotech Private Limited		Subsidiary	India	100.00%	100.00%
Aravon Services Private Limited	1	Subsidiary	India	-	100.00%
Brainhunter Systems Ltd.		Subsidiary	Canada	100.00%	100.00%
Mindwire Systems Limited	2	Subsidiary	Canada	100.00%	100.00%
Brainhunter Companies LLC, USA	3	Subsidiary	USA	-	-
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.	4	Subsidiary	Malaysia	100.00%	100.00%
Quess Corp Lanka (Private) Limited	4	Subsidiary	Sri Lanka	100.00%	100.00%
Comtel Solutions Pte. Ltd.	4	Subsidiary	Singapore	100.00%	100.00%

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (ii) List of subsidiaries (including step-subsiaries), associates and joint venture (Contd..)

Name of the entity	Note	Nature of relation	Country of domicile	Holdings as at	
				31 March 2020	31 March 2019
MFExchange Holdings, Inc.		Subsidiary	Canada	100.00%	100.00%
MFExchange US, Inc.	5	Subsidiary	USA	100.00%	100.00%
MFChile SpA	6	Subsidiary	Chile	100.00%	100.00%
Dependo Logistics Solutions Private Limited		Subsidiary	India	100.00%	100.00%
CentreQ Business Services Private Limited	1	Subsidiary	India	-	100.00%
Excelus Learning Solutions Private Limited		Subsidiary	India	100.00%	100.00%
Conneqt Business Solution Limited	7	Subsidiary	India	70.00%	51.00%
Vedang Cellular Services Private Limited	8	Subsidiary	India	88.71%	70.00%
Master Staffing Solutions Private Limited	1	Subsidiary	India	-	100.00%
Golden Star Facilities and Services Private Limited	9	Subsidiary	India	100.00%	70.00%
Comtelpro Pte. Limited.	4&10	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.	11	Subsidiary	Malaysia	49.00%	49.00%
Quesscorp Management Consultancies	12	Subsidiary	Dubai, UAE	100.00%	100.00%
Quesscorp Manpower Supply Services LLC	13	Subsidiary	Dubai, UAE	100.00%	100.00%
Qdigi Services Limited	14	Subsidiary	India	100.00%	100.00%
Greenpiece Landscapes India Private Limited	15	Subsidiary	India	100.00%	90.00%
Simpliance Technologies Private Limited	16	Subsidiary	India	53.00%	53.00%
Allsec Technologies Limited	17	Subsidiary	India	73.38%	-
Allsectech Inc., USA	18	Subsidiary	USA	73.38%	-
Allsectech Manila Inc., Philippines	18	Subsidiary	Philippines	73.38%	-
Retreat Capital Management Inc., USA	18	Subsidiary	USA	73.38%	-
Trimax Smart Infraprojects Private Limited	19	Subsidiary	India	100.00%	51.00%
Quess Services Limited	20	Subsidiary	Bangladesh	100.00%	-
Terrier Security Services (India) Private Limited		Associate	India	49.00%	49.00%
Heptagon Technologies Private Limited	21	Associate	India	49.00%	49.00%
Quess East Bengal FC Private Limited	22	Associate	India	70.00%	70.00%
Quess Recruit, Inc.		Associate	Philippines	25.00%	25.00%
Agency Pekerjaan Quess Recruit SDN. BHD.	23	Associate	Malaysia	49.00%	49.00%
Himmer Industrial Services (M) SDN. BHD.		Joint venture	Malaysia	49.00%	49.00%

1. Merged w.e.f 1 April 2019 pursuant to approval from the Regional Director, South East Region, MCA.
2. Wholly owned subsidiary of Brainhunter Systems Ltd.
3. Acquired by MFExchange Holdings Inc. on 24 January 2019 and merged.
4. Wholly owned subsidiaries of Quesscorp Holdings Pte. Ltd.
5. Wholly owned subsidiary of MFExchange Holdings Inc.
6. MFChile SpA was dissolved w.e.f 9 December 2019
7. On 23 May 2019, Quess Corp Limited acquired additional 19.00% equity shares in Conneqt Business Solutions Limited, increasing its equity stake to 70.00%
8. On 19 December 2019, Quess Corp Limited acquired additional 18.71% equity stake in Vedang Cellular Services Private Limited, increasing its equity stake to 88.71% (refer note 25.2)
9. On 5 November 2019, Quess Corp Limited acquired 30.00% equity stake in Golden Star Facilities and Services Private Limited ("GSFS") and GSFS has become wholly owned subsidiary (refer note 29.2)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (ii) List of subsidiaries (including step-subsiidiaries), associates and joint venture (Contd..)

10. On 24 October 2018, Quesscorp Holdings Pte. Ltd. has acquired the residual 49.00% shares in Comtelpro Pte. Ltd.
11. Name of Monster Malaysia SDN. BHD has been changed to Agensi Pekerjaan Monster Malaysia SDN. BHD.
12. On 19 December 2018, Quesscorp Holdings Pte. Ltd. acquired control in Quesscorp Management Consultancies (formerly known as Styracorp Management Services)
13. On 31 January 2019, Quesscorp Holdings Pte. Ltd. acquired control in Quesscorp Manpower Supply Services LLC (formerly known as SMS Manpower Supply Services LLC)
14. On 11 April 2018, Quess Corp Limited acquired 100.00% equity shares in Qdigi Services Limited (formerly known as HCL Computing Products Limited).
15. On 2 April 2018, Quess Corp Limited acquired 90.00% equity shares in Greenpiece Landscapes India Private Limited (GLIPL), on 7 May 2019 Quess Corp Limited acquired balance 10.00% equity stake and GLIPL has become 100.00% subsidiary of the Company. (refer note 29.3)
16. On 14 August 2018, Quess Corp Limited acquired additional 8.00% equity shares in Simpliance Technologies Private Limited ("STPL") and has become the subsidiary of the Company.
17. On 3 June 2019, Conneqt Business Solutions Limited acquired 61.35% stake in Allsec Technologies Limited ("Allsec") and Allsec has become a subsidiary. Conneqt further acquired 12.03% on 21 June 2019 through open offer. (refer note 4 (iii)(a))
18. Wholly owned subsidiaries of Allsec Technologies Limited
19. On 15 October 2019, Quess Corp Limited acquired remaining 49.00% equity stake in TSIPL and TSIPL has become 100.00% subsidiary of the Company.
20. Quess Services Limited was incorporated on 25 June 2019.
21. On 5 September 2018, Quess Corp Limited acquired additional 3.00% equity shares in Heptagon Technologies Private Limited.
22. During the year ended 31 March 2019, Quess Corp Limited acquired 70.00% equity shares in Quess East Bengal FC Private Limited.
23. On 23 January 2018, Agency Pekerjaan Quess Recruit Sdn. Bhd. ("APKR") was incorporated. Quessglobal (Malaysia) Sdn. Bhd. subscribed to 49.00% equity stake in APKR and accordingly APKR has become an associate.

## (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 2020	31 March 2019
<b>Revenue from operations</b>			
Entities having significant influence	Thomas Cook (India) Limited	-	156.67
	National Collateral Management Services Limited	109.77	203.02
Associate	Net Resources Investments Private Limited	1.27	1.17
	Terrier Security Services (India) Private Limited	97.23	120.94
	Trimax Smart Infraprojects Private Limited <sup>#</sup>	-	376.74
	Heptagon Technologies Private Limited	0.35	0.06
	Quess East Bengal FC Private Limited	20.00	-
	Agency Pekerjaan Quess Recruit SDN. BHD.	27.30	-
Entities having common directors	Go Digit General Insurance Limited	15.22	11.86
	Go Digit Infoworks Services Private Limited	16.23	15.59
Joint venture	Himmer Industrial Services (M) SDN. BHD.	3.86	19.36
Entity in which key managerial personnel have significant influence	Careworks foundation	45.58	12.55
<b>Other expenses</b>			
Entities having significant influence	Fairfax (US) Inc.	10.63	10.44
	Thomas Cook (India) Limited	-	17.25
	Net Resources Investments Private Limited	38.29	36.47
Associate	Terrier Security Services (India) Private Limited	205.37	185.42
	Heptagon Technologies Private Limited	35.91	4.13
	Agency Pekerjaan Quess Recruit SDN. BHD.	10.40	

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (ii) List of subsidiaries (including step-subsiaries), associates and joint venture (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	For the year ended	
		31 March 2020	31 March 2019
<b>Intangible assets under development</b>			
Associate	Heptagon Technologies Private Limited	3.91	22.80
<b>Intangible assets</b>			
Associate	Heptagon Technologies Private Limited	6.60	3.47
<b>Tangible assets</b>			
Associate	Terrier Security Services (India) Private Limited	0.40	0.90
<b>Expenses incurred by the Group on behalf of related parties</b>			
Associate	Trimax Smart Infraprojects Private Limited #	9.40	88.30
	Terrier Security Services (India) Private Limited	11.62	-
<b>Finance costs/income</b>			
- Interest expense			
Entities having significant influence	Fairfax (US) Inc.	9.04	12.27
	Fairfax Financial Holdings Limited	1.37	1.42
- Interest income			
Associate	Trimax Smart Infraprojects Private Limited #	63.21	89.11
	Quesscorp Management Consultancies	-	2.52
	Terrier Security Services (India) Private Limited	44.05	8.25
	Heptagon Technologies Private Limited	86.02	64.28
	Quess East Bengal FC Private Limited	3.33	2.78
<b>Loans given to related parties</b>			
Associate	Trimax Smart Infraprojects Private Limited #	251.08	56.80
	Terrier Security Services (India) Private Limited	673.16	225.00
	Heptagon Technologies Private Limited	111.65	775.70
	Quess East Bengal FC Private Limited	168.43	125.37
<b>Repayment/ Adjustment of loans given to related parties</b>			
Associate	Trimax Smart Infraprojects Private Limited #	35.00	539.68
	Quess East Bengal FC Private Limited	-	50.95
	Terrier Security Services (India) Private Limited	556.00	-
Entities having significant influence	Fairfax (US) Inc.	283.44	-
	Fairfax Financial Holdings Limited	58.74	-
<b>Guarantees provided to banks on behalf of associates</b>			
Associate		220.00	220.00

## (iv) Balance receivable from and payable to related parties as at the balance sheet date

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	As at	
		31 March 2020	31 March 2019
<b>Trade receivables (gross of loss allowance)</b>			
Entities having significant influence	Thomas Cook (India) Limited	-	11.29
	National Collateral Management Services Limited	0.04	-
Associate	Trimax Smart Infraprojects Private Limited#	-	476.39
	Terrier Security Services (India) Private Limited	104.46	322.31
Entities having common directors	Go Digit Infoworks Service Private Limited	3.20	0.26
	Go Digit General Insurance Limited	9.65	1.84

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (iv) Balance receivable from and payable to related parties as at the balance sheet date (Contd..)

(Amount in INR millions)

Nature of transaction and relationship	Name of related party	As at	
		31 March 2020	31 March 2019
Joint venture	Himmer Industrial Services (M) SDN. BHD.	-	8.31
Entity in which key managerial personnel have significant influence	Careworks foundation	-	14.81
<b>Trade payables</b>			
Entities having significant influence	Fairfax (US) Inc.	-	3.18
	Thomas Cook (India) Limited	-	2.57
Associate	Terrier Security Services (India) Private Limited	136.54	190.22
	Heptagon Technologies Private Limited	1.03	3.90
	Agency Pekerjaan Quess Recruit SDN. BHD.	24.99	-
<b>Loans**</b>			
Associate	Trimax Smart Infraprojects Private Limited #	-	893.60
	Terrier Security Services (India) Private Limited	342.24	225.00
	Heptagon Technologies Private Limited	887.35	775.70
	Quess East Bengal FC Private Limited	242.85	74.42
<b>Unbilled revenue</b>			
Entities having significant influence	Thomas Cook (India) Limited	-	4.70
Associate	Trimax Smart Infraprojects Private Limited#	-	41.50
	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	0.06
	Go Digit Infoworks Service Private Limited	-	0.02
<b>Contingent consideration payable (non-current)</b>			
Entities having significant influence	Fairfax Financial Holdings Limited	29.73	47.60
<b>Other financial assets (interest receivable)</b>			
Associate	Terrier Security Services (India) Private Limited	42.91	7.42
	Trimax Smart Infraprojects Private Limited#	-	40.38
	Heptagon Technologies Private Limited	82.23	57.85
	Quess East Bengal FC Private Limited	-	2.50
<b>Other financial assets (due from related parties)</b>			
Associate	Trimax Smart Infraprojects Private Limited#	-	113.65
	Terrier Security Services (India) Private Limited	11.62	-
<b>Other current financial liabilities</b>			
Associate	Terrier Security Services (India) Private Limited	61.43	57.96
	Quess Recruit, Inc.	-	0.78
<b>Current borrowings</b>			
Entities having significant influence	Fairfax (US), Inc.*	-	279.50
	Fairfax Financial Holdings Limited	-	55.49
<b>Guarantee outstanding</b>			
Associate	Terrier Security Services (India) Private Limited	220.00	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)(b)].

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (v) Compensation of key managerial personnel\*

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers	94.79	119.64
	<b>94.79</b>	<b>119.64</b>

\*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.

## 49 Assets and liabilities relating to employee benefits

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan	1,330.96	857.52
Liability for compensated absences	105.55	261.77
<b>Total employee benefit liability</b>	<b>1,436.51</b>	<b>1,119.29</b>
Current (refer note 31)	87.99	99.45
Non-current (refer note 26)	1,348.52	1,019.84
	<b>1,436.51</b>	<b>1,119.29</b>

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 263.38 million contributions to its defined benefit plans in FY 2020-2021.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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 2020	As at 31 March 2019
<b>Reconciliation of present value of defined benefit obligation</b>		
Obligation at the beginning of the year	1,188.85	914.14
Additions through business combination	54.51	19.00
Disposals	-	(0.31)
Current service cost	323.00	252.55
Interest cost	80.83	65.19
Past service cost	-	-
Benefit settled	(82.46)	(90.48)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	116.10	86.15
- Changes in demographic assumptions	(27.52)	(99.54)
- Changes in financial assumptions	49.86	42.15
Transfer in/out	(7.40)	-
<b>Obligation at the end of the year</b>	<b>1,695.77</b>	<b>1,188.85</b>
<b>Reconciliation of present value of plan assets</b>		
Plan assets at the beginning of the year, at fair value	331.33	286.06
Additions through business combination	16.20	2.45
Disposals	-	(0.16)
Interest income on plan assets	22.19	21.98
Remeasurement - actuarial gain/(loss)	0.06	-
Return on plan assets recognised in other comprehensive income	(0.79)	(5.90)
Contributions	62.72	99.64
Benefits settled	(66.90)	(72.74)
<b>Plan assets as at the end of the year, at fair value</b>	<b>364.81</b>	<b>331.33</b>
<b>Net defined benefit liability</b>	<b>1,330.96</b>	<b>857.52</b>

## C Information on funded and non-funded net defined benefit liability

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Funded	1,215.57	743.06
Non-funded	115.39	114.46
<b>Total net defined benefit liability</b>	<b>1,330.96</b>	<b>857.52</b>

## D i) Expense recognised in profit or loss

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Current service cost	323.00	252.55
Interest cost	80.83	65.19
Past service cost	-	-
Interest income	(22.19)	(21.98)
<b>Net gratuity cost</b>	<b>381.64</b>	<b>295.76</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## ii) Remeasurement recognised in other comprehensive income

(Amount in INR millions)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Remeasurement of the net defined benefit liability	141.87	28.75
Remeasurement of the net defined benefit asset	1.93	5.90
	<b>143.80</b>	<b>34.65</b>

## E Plan assets

(Amount in INR millions)

Particulars	As at 31 March 2020	As at 31 March 2019
Funds managed by insurer	364.81	331.33
	<b>364.81</b>	<b>331.33</b>

## F Defined benefit obligation - Actuarial Assumptions

(Amount in INR millions)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	4.88% - 6.55%	6.50% - 7.52%
Future salary growth	5.00% - 9.00%	6.00% - 12.00%
Attrition rate	2.00% - 80.00%	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 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	307.24	340.23	306.97	366.07
Future salary growth (1% movement)	332.44	305.77	365.11	307.27
Attrition rate (1% - 50% movement)	171.44	199.14	252.62	286.03

### Associate employees

(Amount in INR millions)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,131.70	1,162.04	797.51	826.94
Future salary growth (1% movement)	1,161.75	1,131.71	826.77	797.40
Attrition rate (10% - 50% movement)	1,087.78	1,226.37	774.81	862.98

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
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;	-	-
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.	-	-

## 51 Share-based payments

### A Description of share based payment arrangement

At 31 March 2020, 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 2020, the Company has 132,660 exercisable options outstanding. (31 March 2019: 671,340).

##### 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 2020, the Company has 108,067 exercisable options outstanding (31 March 2019: 57,713).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 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	(Amount in INR millions)	
	31 March 2020	31 March 2019
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.

## 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

Particulars	(Amount in INR millions)			
	For the year ended			
	31 March 2020		31 March 2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
<b>Balance as at the beginning of the year</b>	<b>671,340</b>	<b>10.00</b>	<b>1,271,995</b>	<b>10.00</b>
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	(538,680)	10.00	(600,655)	10.00
Less: Lapsed/forfeited during the year	-	-	-	-
<b>Options vested and exercisable as at the end of the year</b>	<b>132,660</b>	<b>10.00</b>	<b>671,340</b>	<b>10.00</b>

The options outstanding as at 31 March 2020 have an exercise price of INR 10.00 (31 March 2019: INR 10.00) and a weighted average remaining contractual life of 1.17 years (31 March 2019: 2.17 years).

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2020 is INR 10.00 (31 March 2019: INR 10.00)

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

Grant date of options issued under ESOP 2009 scheme:

Grant Date	Exercise price	Number of options outstanding as at 1 April 2018
1 December 2009	10.00	294,800
1 October 2010	10.00	377,103
21 May 2011	10.00	428,995
31 May 2012	10.00	686,690
31 December 2013	10.00	104,332
<b>Total</b>		<b>1,891,920</b>
Less: Options exercised during FY 2017-18		(619,925)
Less: Options exercised during FY 2018-19		(600,655)
Less: Options exercised during FY 2019-20		(538,680)
<b>Closing options as at the end of the year</b>		<b>132,660</b>

## Scheme 2015

(Amount in INR millions)

Particulars	For the year ended			
	31 March 2020		31 March 2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
<b>Balance as at the beginning of the year</b>	<b>164,786</b>	<b>10.00</b>	<b>223,604</b>	<b>10.00</b>
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	(16,345)	10.00	(58,818)	10.00
<b>Balance as at the end of the year</b>	<b>148,441</b>	<b>10.00</b>	<b>164,786</b>	<b>10.00</b>
Options vested and exercisable as at the end of the year	108,067		57,713	

The options outstanding as at 31 March 2020 have an exercise price of INR 10.00 (31 March 2019: INR 10.00) and a weighted average remaining contractual life of 0.10 years (31 March 2019: 0.58 years)

**Details of Grant date of options issued under ESOP scheme 2015 scheme:**

Grant date	Exercise price (INR)	Number of options outstanding as at	
		31 March 2020	31 March 2019
18 August 2017	10.00	148,441	164,786

## D Expense recognised in consolidated statement of profit and loss

For details on the employee benefits expense, refer note 36.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

## 52 Details of non-current investments purchased and sold during the year

### (i) Investment in associates and joint venture

(Amount in INR millions)

Particulars	Investment in associates						Investment in joint ventures	
	Terrier Security Services (India) Private Ltd	Simpliance Technologies Private Limited	Trimax Smart Infraprojects 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	245,000	4,068	5,100	13,612	2,500	1,035,000	122,500	49,000
Value per share including premium	2,938.78	2,777.78	10.00	7,645.95	Peso 100	100.00	RM 1	RM 1
<b>As at 31 March 2018</b>	<b>743.62</b>	<b>20.82</b>	<b>0.94</b>	<b>92.26</b>	<b>0.23</b>	-	-	-
Purchased during the year	-	20.00	-	15.00	-	100.35	2.06	-
Sold during the year	-	-	-	-	-	-	-	-
Cancelled on business combination	-	(40.18)	-	-	-	-	-	-
Share in total comprehensive income for the year	52.34	(0.64)	(0.94)	(23.37)	1.20	(100.35)	(0.07)	-
<b>As at 31 March 2019</b>	<b>795.96</b>	-	-	<b>83.89</b>	<b>1.43</b>	-	<b>1.99</b>	-
Purchased during the year	-	-	-	-	-	-	-	-
Sold during the year	-	-	-	-	-	-	-	-
Share in total comprehensive income for the year	(93.63)	-	-	(83.89)	3.30	-	(0.91)	-
<b>As at 31 March 2020</b>	<b>702.33</b>	-	-	-	<b>4.73</b>	-	<b>1.08</b>	-

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## (ii) Investment in equity instruments, preference shares and other non-current investments

(Amount in INR millions)

Particulars	Investment in equity instruments	Other non-current investments	
	KMG Infotech Limited	Styracorp Management Services	IME Consultancy
Number of shares acquired	200,000.00	NA	NA
Value per share including premium	82.75	NA	NA
<b>As at 31 March 2018</b>	<b>16.55</b>	<b>13.22</b>	-
Purchased during the year	-	-	-
Sold during the year	-	-	-
Cancelled on business combination	-	(13.22)	-
<b>As at 31 March 2019</b>	<b>16.55</b>	-	-
Purchased during the year	-	-	-
Sold during the year	-	-	-
<b>As at 31 March 2020</b>	<b>16.55</b>	-	-

## 53 Details of loans given during the year under Section 186(4) of the Act:

### 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/adjusted during the year	Converted into Compulsorily Converted Debentures	Impairment charge recognised during the year	Balance as at 31 March 2020
<b>Associates</b>						
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)	-
<b>Total</b>	<b>1,075.12</b>	<b>964.86</b>	<b>(556.00)</b>	<b>-</b>	<b>(242.85)</b>	<b>1,241.13</b>

W.e.f 15 October 2019, Trimax Smart Infraprojects Private Limited is a subsidiary of the Company [refer note 4(iii)(b)]

(Amount in INR millions)

Particulars	Balance as at 1 April 2018	Loans given during the year	Repaid/adjusted during the year	Converted into Compulsorily Converted Debentures	Impairment charge recognised during the year	Balance as at 31 March 2019
<b>Associates</b>						
Terrier Security Services (India) Private Limited	-	225.00	-	-	-	225.00
Quess East Bengal FC Private Limited	-	125.37	(50.95)	-	-	74.42
Trimax Smart Infraprojects Private Limited	1,401.84	145.10	(539.68)	-	-	1,007.27
Heptagon Technologies Private Limited	-	775.70	-	-	-	775.70
<b>Total</b>	<b>1,401.84</b>	<b>1,271.17</b>	<b>(590.63)</b>	<b>-</b>	<b>-</b>	<b>2,082.39</b>

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 2020

## 54 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income		(Amount in INR millions)
	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		
<b>Parent</b>									
Quess Corp Limited	63.44%	23,334.73	104.11%	[3,378.88]	60.87%	[51.22]	103.08%	[3,430.10]	
<b>Subsidiaries - Indian</b>									
MFIX Infotech Private Limited	0.42%	156.02	1.59%	[51.73]	1.32%	[1.11]	1.59%	[52.84]	
Dependo Logistics Solutions Private Limited	0.15%	54.54	0.94%	[30.42]	0.00%	-	0.91%	[30.42]	
Excelus Learning Solutions Private Limited	1.23%	452.77	-2.19%	71.10	1.01%	[0.85]	-2.11%	70.25	
Conneqt Business Solutions Limited	12.77%	4,699.35	25.31%	[821.46]	51.43%	[43.27]	25.99%	[864.73]	
Vedang Cellular Services Private Limited	0.57%	208.52	0.29%	[9.41]	0.80%	[0.67]	0.30%	[10.08]	
Golden Star Facilities and Services Private Limited	0.79%	290.04	-1.01%	32.74	3.78%	[3.18]	-0.89%	29.56	
Monster.com (India) Private Limited	0.54%	197.39	9.90%	[321.24]	1.82%	[1.53]	9.70%	[322.77]	
Qdigi Services Limited	0.81%	297.17	0.99%	[32.26]	0.18%	[0.15]	0.97%	[32.41]	
Greenpiece Landscapes India Private Limited	-0.05%	[19.27]	2.39%	[77.57]	-2.66%	2.24	2.26%	[75.33]	
Simplance Technologies Private Limited	0.14%	52.24	-0.57%	18.44	0.00%	-	-0.55%	18.44	
Allsec Technologies Limited	6.20%	2,280.68	-11.45%	371.52	-91.28%	76.80	-13.47%	448.32	
Trimax Smart Infraprojects Private Limited	2.70%	992.27	0.91%	[29.46]	-0.02%	0.02	0.88%	[29.44]	
<b>Subsidiaries - Foreign</b>									
Brainhunter Systems Ltd.	0.14%	50.00	-2.60%	84.42	-1.05%	0.88	-2.56%	85.30	
Quess (Philippines) Corp.	0.20%	75.10	-0.86%	27.94	-7.76%	6.53	-1.04%	34.47	
Quess Corp (USA) Inc.	-0.31%	[113.41]	2.54%	[82.49]	30.26%	[25.46]	3.24%	[107.95]	
Quesscorp Holdings Pte. Ltd.	7.28%	2,676.81	-12.86%	417.35	32.54%	[27.38]	-11.72%	389.97	
Quess Corp Vietnam LLC	0.05%	17.05	-0.04%	1.35	-1.21%	1.02	-0.07%	2.37	
Quessglobal [Malaysia] Sdn. Bhd.	0.37%	137.51	-1.03%	33.29	-5.30%	4.46	-1.13%	37.75	
Quess Corp Lanka (Private) Limited	0.33%	120.46	-1.03%	33.47	0.21%	[0.18]	-1.00%	33.29	
Comtel Solutions Pte. Ltd.	2.66%	978.79	-8.43%	273.70	-48.23%	40.58	-9.44%	314.28	
MMFXchange Holdings, Inc.	-0.53%	[194.66]	-4.33%	140.68	71.98%	[60.56]	-2.41%	80.12	
Comtelpro Pte. Limited.	-0.15%	[54.92]	0.71%	[23.13]	2.10%	[1.77]	0.75%	[24.90]	
Comtelink Sdn. Bhd	0.07%	26.67	-0.19%	6.09	-1.00%	0.84	-0.21%	6.93	
Monster.com.SG PTE Limited	-0.01%	[3.90]	-0.33%	10.60	0.50%	[0.42]	-0.31%	10.18	
Monster.com HK Limited	-0.04%	[16.35]	-0.24%	7.79	2.17%	[1.83]	-0.18%	5.96	
Agensi Pekerjaan Monster Malaysia Sdn. Bhd	0.14%	51.87	-0.61%	19.87	-1.97%	1.66	-0.65%	21.53	
Quesscorp Manpower Supply Services LLC	0.24%	89.80	-2.13%	69.29	-6.80%	5.72	-2.25%	75.01	
Quesscorp Management Consultancies	-0.15%	[56.89]	0.15%	[4.87]	6.47%	[5.44]	0.31%	[10.31]	
Quess Services Limited	0.00%	1.42	0.07%	[2.20]	-0.15%	0.13	0.00%		
<b>Subtotal</b>	<b>100.00%</b>	<b>36,781.80</b>	<b>100.00%</b>	<b>[3,245.48]</b>	<b>100.00%</b>	<b>[84.14]</b>	<b>100.00%</b>	<b>[3,327.55]</b>	
<i>Adjustment arising out of consolidation</i>		[14,730.54]		[1,063.12]		203.75		[861.45]	
Non-controlling interests in subsidiaries		769.04		128.15		14.64		142.79	



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2020

## 54 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements (Contd...)

(Amount in INR millions)

Name of entity	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
<b>Associates - Indian</b>								
Terrier Security Services (India) Private Limited		702.33		[72.81]		[20.82]		[93.63]
Heptagon Technologies Private Limited		-		[67.90]		[15.99]		[83.89]
<b>Associates - Foreign</b>								
Quess Recruit, Inc.		4.73		3.30		-		3.30
Agency Pekerjaan Quess Recruit Sdn. Bhd.		1.08		[0.91]		-		[0.92]
<b>Total</b>		<b>23,528.44</b>		<b>[4,318.78]</b>		<b>97.44</b>		<b>[4,221.34]</b>

**55** The Board of Directors of the Company at its meeting held on 18 February 2020 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 ("TSJP"), and Greenpiece Landscapes 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. The Board has delegated its power to the Administration and Investment Committee of the Board for finalisation of the Scheme AAA. Upon the Scheme becoming effective the Transferor Companies shall dissolve and all the assets and liabilities of the transferor companies will be recorded at the carrying values in the consolidated financial statements effective April 1, 2020. The carrying amount of the Transferee Company's investment in the shares of the Transferor Companies, which shall stand cancelled in the terms of this Scheme, and the aggregate face value of such shares shall, subject to other provisions contained in Scheme AAA, be adjusted and reflected in the Capital Reserve of Transferee Company. The Scheme shall be filed with NSE/BSE upon approval of the final Scheme AAA by the Administration and Investment Committee.

**56** The Company evaluated subsequent event through 27 May 2020 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)

### Part A: Subsidiaries

(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.	MFEX Infotech Private Limited	20.08.2014	INR	NA	31.03.2020	10.00	146.02	452.47	296.45	-	653.98	68.19	16.46	(51.73)	100.00
2.	Brainhunter Systems Ltd.	23.10.2014	CAD	53.0825	31.03.2020	385.39	(275.36)	912.23	806.71	-	967.38	37.40	-	37.40	100.00
3.	Mindwire Systems Limited <sup>1</sup>	23.10.2014	CAD	53.0250	31.03.2020	128.08	160.03	286.54	213.97	-	1,889.92	64.28	(17.28)	47.01	100.00
4.	Quess Corp (USA) Inc.	19.11.2014	USD	75.6650	31.03.2020	6.25	(119.66)	214.19	327.60	-	-	(82.49)	-	(82.49)	100.00
5.	Quess (Philippines) Corp.	14.05.2013	PHP	1.4705	31.03.2020	12.27	62.83	278.15	203.36	0.31	452.09	43.60	(15.66)	27.94	100.00
6.	Quesscorp Holdings Pte. Ltd.	16.06.2015	SGD	53.0250	31.03.2020	2,227.86	448.95	4,070.93	1,394.86	0.74	23.71	417.35	-	417.35	100.00
7.	Quessglobal (Malaysia) Sdn. Bhd. <sup>2</sup>	12.08.2015	MYR	17.5150	31.03.2020	8.33	129.18	299.55	164.12	2.07	761.59	42.65	(9.36)	33.29	100.00
8.	MFExchange Holdings, Inc.	01.01.2016	USD	75.6650	31.03.2020	2,919.57	(1,533.10)	2,280.84	894.38	-	383.81	35.45	-	35.45	100.00
9.	MFExchange US Inc. <sup>3</sup>	01.01.2016	USD	75.6650	31.03.2020	-	(1,581.12)	1,008.03	2,589.15	-	2,306.77	106.72	(1.50)	105.22	100.00
10.	Dependo Logistics Solutions Private Limited	25.10.2016	INR	NA	31.03.2020	0.10	54.44	109.99	53.44	-	658.56	30.42	-	(30.42)	100.00
11.	Excelus Learning Solutions Private Limited	09.01.2017	INR	NA	31.03.2020	0.10	452.67	699.24	246.47	-	579.99	94.48	(23.38)	71.11	100.00
12.	Golden Star Facilities and Services Private Limited <sup>4</sup>	01.12.2016	INR	NA	31.03.2020	10.00	280.04	858.95	568.91	-	2,426.25	25.98	6.76	32.74	100.00
13.	Comtel Solutions Pte. Ltd.	14.02.2017	SGD	53.0250	31.03.2020	23.57	955.22	1,527.99	549.20	-	4,805.57	329.78	(56.08)	273.70	100.00
14.	Quess Corp Lanka (Private) Limited <sup>5</sup>	26.04.2016	LKR	0.3955	31.03.2020	5.53	114.92	196.32	75.87	-	739.95	46.52	(13.05)	33.47	100.00
15.	Vedang Cellular Services Private Limited <sup>6</sup>	10.11.2017	INR	NA	31.03.2020	1.82	206.70	421.48	212.96	-	980.52	12.48	3.07	(9.41)	88.71
16.	Connect Business Solution Limited <sup>6</sup>	27.11.2017	INR	NA	31.03.2020	1,494.64	3,204.70	8,201.95	3,502.61	-	9,759.49	1623.44	(198.03)	(821.46)	70.00
17.	Comtelink Sdn. Bhd.	14.11.2017	MYR	17.5150	31.03.2020	15.61	11.06	32.88	6.21	-	30.31	7.34	(1.25)	6.09	100.00
18.	Comtelpro Pte. Limited.	10.10.2017	SGD	53.0250	31.03.2020	9.64	(64.56)	18.54	73.46	-	23.72	(23.13)	-	(23.13)	100.00
19.	Monster.com (India) Private Limited	08.02.2018	INR	NA	31.03.2020	0.50	196.89	1,160.70	963.30	-	1,088.36	(317.30)	(3.94)	(321.24)	99.99
20.	Monster.com SG PTE Limited	08.02.2018	SGD	53.0250	31.03.2020	0.00	(3.90)	385.47	389.36	-	258.27	10.60	(0.00)	10.60	100.00
21.	Monster.com HK Limited	08.02.2018	HKD	9.7600	31.03.2020	318.71	(335.06)	18.98	35.32	-	30.48	8.33	(0.54)	7.79	100.00
22.	Agensi Pekerjaan Monster Malaysia Sdn. Bhd	08.02.2018	MYR	17.5150	31.03.2020	8.18	43.69	119.96	68.09	-	103.46	22.70	(2.82)	19.87	49.00
23.	Quess Corp Vietnam LLC	26.03.2018	VND	0.0032	31.03.2020	13.00	4.05	33.70	16.65	-	42.17	1.70	(0.35)	1.35	100.00
24.	Quesscorp Management Consultancies	19.12.2018	AED	20.6000	31.03.2020	3.82	(60.71)	103.86	160.75	-	11.19	(4.87)	-	(4.87)	100.00
25.	Quesscorp Manpower Supply Services LLC	31.01.2019	AED	20.6000	31.03.2020	-	89.80	274.75	184.95	-	676.15	69.29	-	69.29	100.00
26.	Odigi Services Limited	11.04.2018	INR	NA	31.03.2020	53.50	243.68	823.23	526.05	-	1,881.52	(25.13)	(7.14)	(32.26)	100.00
27.	Greenpiece Landscapes India Private Limited <sup>7</sup>	02.04.2018	INR	NA	31.03.2020	8.00	(27.27)	268.16	287.43	-	228.81	(55.56)	(22.01)	(77.57)	100.00
28.	Simplance Technologies Private Limited	31.07.2018	INR	NA	31.03.2020	0.23	52.00	58.67	6.43	-	66.37	20.47	(2.03)	18.44	53.00
29.	Trimax Smart Infra Projects Private Limited <sup>8</sup>	15.10.2019	INR	NA	31.03.2020	0.10	992.17	1,338.33	346.06	-	(18.01)	(206.34)	(8.06)	(214.40)	100.00
30.	Quess Services Limited <sup>9</sup>	25.06.2019	BDT	0.8777	31.03.2020	3.49	(2.07)	5.52	4.10	-	1.27	(2.20)	-	(2.20)	100.00
31.	Allsec Technologies Limited <sup>10</sup>	03.06.2019	INR	NA	31.03.2020	152.40	1,253.70	1,864.60	458.50	-	2,013.30	181.80	(87.30)	94.50	73.38
32.	Allsectech Inc., USA <sup>11</sup>	03.06.2019	USD	75.6650	31.03.2020	121.40	(20.20)	168.60	67.40	-	100.50	(150.20)	-	(150.20)	73.38
33.	Allsectech Manila Inc., Philippines <sup>11</sup>	03.06.2019	PHP	1.4705	31.03.2020	78.30	806.40	1,002.20	177.50	-	965.30	380.60	(25.20)	355.40	73.38
34.	Retreat Capital Management Inc., USA <sup>11</sup>	03.06.2019	USD	75.6650	31.03.2020	2.10	(9.90)	4.30	12.10	-	39.70	38.50	(10.00)	28.50	73.38

1. Wholly owned subsidiary of Brainhunter Systems Ltd.

2. Wholly owned subsidiary of Quesscorp Holdings Pte. Ltd.

3. Wholly owned subsidiary of MFExchange Holdings Inc. Brainhunter companies LLC, USA was acquired by MFExchange Holdings Inc. on 24 January 2019 and merged.

4. On 5 November 2019, Quess Corp Limited acquired 30.00% equity stake in Golden Star Facilities and Services Private Limited ("GSFS") and GSFS has become wholly owned subsidiary.

5. On 19 December 2019, Quess Corp Limited acquired additional 18.71% equity stake in Vedang Cellular Services Private Limited, increasing its equity stake to 88.71%.

6. On 23 May 2019, Quess Corp Limited acquired additional 19.00% equity shares in Connect Business Solutions Limited, increasing its equity stake to 70.00%

7. On 2 April 2018, Quess Corp Limited acquired 90.00% equity shares in Greenpiece Landscapes India Private Limited (GLIPL), on 7 May 2019 Quess Corp Limited acquired balance 10.00% equity stake and GLIPL has become 100.00% subsidiary of the Company.

8. On 15 October 2019, Quess Corp Limited acquired remaining 49.00% equity stake in TSPL and TSPL has become 100.00% subsidiary of the Company.

9. Quess Services Limited was incorporated on 25 June 2019 as a wholly owned subsidiary of Quess Corp Limited.

10. On 3 June 2019, Connect Business Solutions Limited acquired 61.35% stake in Allsec Technologies Limited ("Allsec") and Allsec has become a subsidiary. Connect further acquired 12.03% on 21 June 2019 through open offer.

11. Wholly owned subsidiary of Allsec Technologies Limited.

12. Coacheive Solutions Private Limited, Aravon Services Private Limited and Master Staffing Solutions Private Limited were merged with Quess Corp Limited w.e.f 1 April 2019.

13. Allsec Technologies Limited and Comtel Solutions Pte. Ltd declared and paid dividend of INR 183.71 million and 471.06 million respectively during the year.

#### Notes:

- Total assets include investments.
- Investments exclude investments in Subsidiaries.
- Reserves and surplus include other comprehensive income and securities premium and instruments entirely equity in nature.

## Part B: Associate/ joint venture

(Amount in INR millions)

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	Network attributable to shareholding as per latest audited Balance Sheet	Profit or Loss for the year	
				Number	Investment in Associates or Joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
1	Terrier Security Services (India) Private Limited	31.03.2020	09.12.2016	245,000	720.00	49.00	More than 20% holding	No control	95.60	(72.81)	(75.78)
2	Himmer Industrial Services (M) Sdn. Bhd.	31.03.2020	28.03.2017	49,000	0.74	49.00	More than 20% holding	No control	(1.81)	-	(3.37)
3	Heptagon Technologies Private Limited	31.03.2020	22.06.2017	13,612	112.70	49.00	More than 20% holding	No control	(107.54)	(67.90)	(70.67)
4	Quess Recruit, Inc.	31.03.2020	01.01.2018	2,500	0.31	25.00	More than 20% holding	No control	5.69	3.30	9.89
5	Quess East Bengal FC Private Limited	31.03.2020	13.07.2018	1,035,000	100.35	70.00	More than 20% holding	No control	(134.61)	-	(189.11)
6	Agency Pekerjaan Quess Recruit Sdn. Bhd.	31.03.2020	23.01.2018	122,500	2.07	49.00	More than 20% holding	No control	1.14	(0.92)	(0.95)

## Notes

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