

July 28, 2020

To,
Department of Corporate Services,
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, PJ Towers, Dalal Street,
Mumbai – 400 001
Security Code – 539978

Department of Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kundra Complex,
Bandra (East), Mumbai – 400 001
NSE Symbol – QUESS

Dear Sir/Madam,

Sub.: Outcome of Board Meeting of the Company held on July 28, 2020

Time of Commencement : 5.30 PM
Time of Conclusion : 7.30 PM

This is to inform that the Board of Directors ("**Board**") at their meeting held today, i.e., Tuesday, July 28, 2020, inter-alia, considered and approved the following:

1. Unaudited Financial Results of the Company for the quarter ended June 30, 2020. Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Unaudited (Standalone and Consolidated) Financial Results along with Limited Review Report issued by the Statutory Auditors of the Company for the quarter ended June 30, 2020 as an **Annexure-1**.
2. Proposal of voluntary winding up of Quess East Bengal FC Private Limited pursuant to the Termination agreement.

It may be noted that there is no material impact on the business and financials of the Company pursuant to the proposed winding up.

This disclosure will be made available on the Company's website at:
<https://www.queesscorp.com/investor/index.php>.

Kindly take the above information on records and oblige.

Thanking you
Yours sincerely,

FOR QUESS CORP LIMITED


KUNDAN K LAL

COMPANY SECRETARY & COMPLIANCE OFFICER



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

TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **QUESS CORP LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss of its associates and joint venture company for the quarter ended 30 June 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities as given in Annexure 1 to this report.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. Emphasis of Matter paragraphs

- i. We draw attention to Note 7 of the Statement, regarding the demands received by the Company in respect of Provident Fund and the contingency related to the pending litigation.
- ii. We draw attention to Note 13 of the Statement, which describes the effects of the continuing uncertainty arising from the outbreak of the COVID-19 pandemic on the financial results for the quarter ended 30 June 2020.

Our conclusion on the Statement is not modified in respect of these matters.

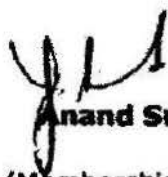
7. We did not review the interim financial results/ financial information of 16 subsidiaries included in the consolidated unaudited financial results, whose interim financial results/ financial information reflect total revenues of Rs. 5,687.75 million for the quarter ended 30 June 2020, total net profit after tax of Rs. 260.09 million for the quarter ended 30 June 2020 and total comprehensive income of Rs 299.98 million for the quarter ended 30 June 2020, as considered in the Statement. These interim financial results/ financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

8. The consolidated unaudited financial results includes the interim financial information of 17 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. 994.37 million for the quarter ended 30 June 2020, total profit after tax of Rs. 20.99 million for the quarter ended 30 June 2020 and total comprehensive income of Rs. 26.95 million for the quarter ended 30 June 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of loss after tax of Rs. 24.66 million for the quarter ended 30 June 2020 and total comprehensive loss of Rs. 24.66 million for the quarter ended 30 June 2020, as considered in the Statement, in respect of 4 associates and 1 joint venture company, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

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


Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 20110815AAAABZ6628)

Place: Bengaluru
Date: 28 July 2020

Deloitte Haskins & Sells LLP

ANNEXURE 1:

Nature	S. No.	Entity name
Subsidiary/Step-subsubsidiary:	1.	Brainhunter Systems Ltd.
	2.	Mindwire Systems Limited
	3.	MFx Infotech Private Limited
	4.	Quess (Philippines) Corp.
	5.	Quess Corp (USA) Inc.
	6.	Quess Corp Holdings Pte Ltd
	7.	Quessglobal (Malaysia) Sdn. Bhd.
	8.	MFxchange Holdings Inc.
	9.	MFxchange US, Inc.
	10.	Quess Corp Lanka (Private) Limited
	11.	Comtel Solutions Pte. Limited
	12.	Dependo Logistics Solutions Private Limited
	13.	Excelus Learning Solutions Private Limited
	14.	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
	15.	Vedang Cellular Services Private Limited
	16.	Golden Star Facilities and Services Private Limited
	17.	Comtelpro Pte. Ltd.
	18.	Comtelink Sdn. Bhd.
	19.	Monster.com.SG PTE Limited
	20.	Monster.com.HK Limited
	21.	Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd)
	22.	Monster.com (India) Private Limited
	23.	Quess Corp Vietnam LLC
	24.	Simpliance Technologies Private Limited
	25.	Qdigi Services Limited (formerly known as HCL Computing Products Limited)
	26.	Greenpiece Landscapes India Private Limited
	27.	Quesscorp Management Consultancies (formerly known as StyraCorp Management Services)
	28.	Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)]
	29.	Allsec Technologies Limited
	30.	Allsectech Inc., USA
	31.	Allsectech Manila Inc., Philippines
	32.	Retreat Capital Management Inc., USA
	33.	Quess Services Limited
	34.	Trimax Smart Infraprojects Private Limited
	35.	Terrier Security Services (India) Private Limited (w.e.f. 27 May 2020)
Associate:	1.	Heptagon Technologies Private Limited
	2.	Quess Recruit, Inc.
	3.	Quess East Bengal FC Private Limited
	4.	Agency Pekerjaan Quess Recruit Sdn. Bhd.
Joint Venture:	1.	Himmer Industrial Services (M) Sdn. Bhd.

Y.H.

Part I: Statement of consolidated unaudited financial results for the quarter ended 30 June 2020

(INR in millions except per share data)

Sl. No.	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2020	31 March 2020	30 June 2019*	31 March 2020
		(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
1	Income				
	a) Revenue from operations	24,094.30	29,945.86	23,953.95	109,914.82
	b) Other income	75.82	86.17	168.66	510.89
	Total income (a + b)	24,170.12	30,032.03	24,122.61	110,425.71
2	Expenses				
	a) Cost of material and stores and spare parts consumed	331.85	599.19	646.32	2,670.55
	b) Employee benefit expenses	20,836.78	25,100.66	19,343.94	90,634.38
	c) Finance costs	379.33	387.43	396.39	1,668.01
	d) Depreciation and amortisation expense	594.21	596.36	579.56	2,486.07
	e) Other expenses	1,628.75	2,560.17	2,487.95	10,031.87
	Total expenses (a + b + c + d + e)	23,770.92	29,243.81	23,454.16	107,490.88
3	Profit before share of profit/(loss) of equity accounted investees, exceptional items and tax (1 - 2)	399.20	788.22	668.45	2,934.83
4	Share of profit/(loss) of equity accounted investees (net of income tax)	(106.91)	(91.31)	2.43	(138.33)
5	Profit before exceptional items and tax (3 + 4)	292.29	696.91	670.88	2,796.50
6	Exceptional items (refer note 4 and 5)	(250.26)	6,640.52	-	6,640.52
7	Profit/(loss) before tax (5 - 6)	542.55	(5,943.61)	670.88	(3,844.02)
8	Tax expense/(credit) (refer note 6)				
	Current tax	86.63	(235.16)	186.87	335.14
	Income tax relating to previous year	22.12	-	-	2.76
	Deferred tax	69.29	590.72	(81.29)	136.86
	Total tax expense	178.04	355.56	105.58	474.76
9	Profit/(loss) for the period (7 - 8)	364.51	(6,299.17)	565.30	(4,318.78)
10	Other comprehensive income				
	(i) Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of defined benefit plans	(74.43)	(45.08)	(22.00)	(143.80)
	Income tax relating to items that will not be reclassified to profit or loss	17.55	0.39	11.40	34.82
	Share of other comprehensive income of equity accounted investees (net of income tax)	(5.33)	(25.42)	(2.44)	(36.81)
	(ii) Items that will be reclassified subsequently to profit or loss				
	Exchange differences in translating financial statements of foreign operations	88.01	94.47	(1.33)	243.23
	Other comprehensive income/(loss) for the period, net of taxes	25.80	24.36	(14.37)	97.44
11	Total comprehensive income/(loss) for the period (9 + 10)	390.31	(6,274.81)	550.93	(4,221.34)
12	Profit/(loss) attributable to:				
	Owners of the Company	337.70	(6,324.63)	541.99	(4,446.93)
	Non-controlling interests	26.81	25.46	23.31	128.15
13	Other comprehensive income/(loss) attributable to:				
	Owners of the Company	18.16	9.72	(14.37)	82.80
	Non-controlling interests	7.64	14.64	-	14.64
14	Total comprehensive income/(loss) attributable to:				
	Owners of the Company	355.86	(6,314.91)	527.62	(4,364.13)
	Non-controlling interests	34.45	40.10	23.31	142.79
15	Paid-up equity share capital (Face value of INR 10.00 per share)	1,475.83	1,475.11	1,461.04	1,475.11
16	Reserves i.e. Other equity				21,284.29
17	Earning/(loss) Per Share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (INR)	2.29	(42.88)	3.71	(30.28)
	(b) Diluted (INR)	2.27	(42.79)	3.69	(30.22)

See accompanying notes to the financial results

*Previously reviewed and retrospectively adjusted.



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

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

Statement of consolidated unaudited segment wise revenue, results, assets and liabilities for the quarter ended 30 June 2020

(INR in millions)

Sl. No.	Particulars	Consolidated			
		Quarter ended			Year ended
		30 June 2020	31 March 2020	30 June 2019	31 March 2020
		(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
1	Segment revenue				
	a) Workforce management	16,181.12	20,385.87	14,881.24	71,541.69
	b) Operating asset management	3,679.70	4,275.69	4,270.64	17,340.44
	c) Global technology solutions*	4,233.48	5,284.30	4,802.07	21,032.69
	Total Income from operations	24,094.30	29,945.86	23,953.95	109,914.82
2	Segment results				
	a) Workforce management	602.09	1,032.64	895.45	3,874.32
	b) Operating asset management	260.79	283.30	318.91	1,223.55
	c) Global technology solutions*	552.17	577.30	462.76	2,327.16
	Total	1,415.05	1,893.24	1,677.12	7,425.03
	Less: (i) Unallocated corporate expenses	118.13	207.40	201.38	847.01
	Less: (ii) Depreciation and amortisation expense	594.21	596.36	579.56	2,486.07
	Less: (iii) Finance costs	379.33	387.43	396.39	1,668.01
	Add: (iv) Other income	75.82	86.17	168.66	510.89
	Add: (v) Share of profit/(loss) of equity accounted investees (net of income tax)	(106.91)	(91.31)	2.43	(138.33)
	Total profit before tax	292.29	696.91	670.88	2,796.50
3	Segment assets				
	a) Workforce management	12,441.51	13,370.84	13,522.53	13,370.84
	b) Operating asset management	11,526.05	10,597.05	14,008.70	10,597.05
	c) Global technology solutions*	13,270.02	13,188.46	15,425.58	13,188.46
	d) Unallocated	14,391.78	16,028.86	17,509.22	16,028.86
	Total	51,629.36	53,185.21	60,466.02	53,185.21
4	Segment liabilities				
	a) Workforce management	4,723.70	4,503.70	5,160.04	4,503.70
	b) Operating asset management	2,794.98	3,270.23	3,300.96	3,270.23
	c) Global technology solutions*	7,917.12	7,739.98	7,970.30	7,739.98
	d) Unallocated	12,251.89	14,142.86	15,312.78	14,142.86
	Total	27,687.69	29,656.77	31,744.08	29,656.77

See accompanying notes to the financial results

*With effect from 1 April 2020, the business segment Tech Services is renamed as Global technology solutions.



Consolidated unaudited financial results for the quarter ended 30 June 2020

Notes :

- 1 The statement of consolidated unaudited financial results ("the Statement") of Quess Corp Limited ("the Company") including its subsidiaries (collectively known as the "Group"), its associates and its joint venture company (as mentioned in Appendix 1 to these notes) for the quarter ended 30 June 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 28 July 2020. The statutory auditors have issued an unmodified review report. The figures for the quarter ended 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which were subjected to limited review by the statutory auditors of the Company.
- 3 The consolidated unaudited financial results and the review report of the statutory auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and will be made available on the Company website www.quescorp.com.

4 Acquisitions:

During the quarter ended 30 June 2020, the Company acquired additional 25.00% stake in Terrier Security Services (India) Private Limited ("TSSIPL") for a purchase consideration of INR 645.00 million. Consequent to the additional 25.00% acquisition, the total shareholding in TSSIPL has increased from 49.00% to 74.00% and TSSIPL has become subsidiary of the Company. The purchase consideration included the fair value of the existing stake of 49.00% and additional stake of 25.00% adjusted for equity method accounting loss of INR 107.46 million resulting in a total purchase consideration of INR 1,510.00 million. The additional purchase consideration of INR 645.00 million was settled by adjusting loans which was outstanding to be received from Heptagon Technologies Private Limited ("HTPL"). The management has opted for the measurement period exemption and has carried out provisional Purchase Price Allocation which has resulted in a goodwill of INR 1,497.90 million and fair value gain on the acquisition of INR 250.26 million which is disclosed under exceptional items in the above results. For the quarter ended 30 June 2020, the consolidated unaudited financial results of the group include proportionate financials results of TSSIPL.

- 5 (a) During the quarter and year ended 31 March 2020, the Company after exploring various options decided to terminate the joint arrangement 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 and investments made in this associate and recognised an impairment of INR 242.85 million, disclosed as an exceptional item for the quarter ended 31 March 2020.
(b) The Group has considered the possible effects that may result from COVID-19 on the carrying amount of goodwill and intangibles. As at 31 March 2020, the Group had INR 13,420.65 million of Goodwill allocated across the Group's various cash generating units. The Company performed an impairment analysis for each of its cash generating units and considered the impact of COVID-19 and uncertainties in future economic condition in the determination of recoverable amounts. Consequent to the impairment analysis, the Company impaired INR 1,334.81 million of Intangible assets and INR 5,062.86 million of Goodwill during the quarter and year ended 31 March 2020 and shown this as exceptional items in the quarter ended 31 March 2020. In determining the recoverable amount, the Company considered assumptions around future revenue, EBITDA and discount rates. Key judgments 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. 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 results. Further an amount of INR 1,053.90 million being reversal of deferred tax liability in relation to impairment of goodwill and intangibles and has been adjusted to Statement of profit and loss through tax expenses for the quarter ended 31 March 2020.
- 6 During the quarter and year ended 31 March 2020, the Company and certain direct and indirect subsidiaries of the Company had 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 had written off through tax expenses, accumulated MAT credit of INR 1,245.20 million and re-measured other accumulated net deferred tax assets at 31 December 2019 based on the rate prescribed under Section 115BAA resulting in additional expense of INR 154.75 million in the quarter ended 31 March 2020.
- 7 During the previous year, 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 amounting to INR 716.56 million. On 26 August 2019, the Company filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-I of the Act challenging the Employees' Provident Fund Organisation's ("EPFO") order along with the application under Section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident Fund Contributions till the final disposal of the Appeal. Consequent to the appeal, on 23 October 2019 the CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order for a period of 3 months. Due to COVID-19 pandemic the matter has been adjourned to 3 September 2020. The Company has obtained external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been wrongly determined by the RPFC. Further the Company has contractual rights with its customers wherein any such statutory liabilities could be passed on to them and the Company has obtained confirmation from the customers in this regard. Based on the legal advice, pending the hearing of the appeal and contractual arrangement with customers, no provision or contingent liability has been recognised or disclosed.
- 8 Other expenses in the Statement of consolidated unaudited financial results for the quarter ended 30 June 2020 includes direct expenses incurred by the group to generate revenue which is presented in the table below:

(INR in millions)

Particulars	Quarter ended			Year ended
	30 June 2020	31 March 2020	30 June 2019	31 March 2020
Shipment delivery expenses in Dependo Logistics Solutions Private Limited.	80.68	129.37	120.78	582.32
Marketing expenses in Monster.com (India) Private Limited	0.07	17.89	91.67	196.87

- 9 On 31 March 2020 pursuant to approval by the shareholders by way of a special resolution through postal ballot, the Nomination and Remuneration Committee / Board has been authorized to introduce, offer, issue and provide Restricted Stock Units ("RSU") to eligible employees of the Company and its subsidiaries under the Quess Stock Ownership Plan - 2020 ("QSOP 2020"). The maximum number of shares under QSOP 2020 shall not exceed 3,650,000 equity shares. The RSUs granted under QSOP 2020 shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). These instruments will be equity settled and will generally vest between a minimum of 1 to maximum of 6 years from the grant date. The total expense recorded for the same during the current period amounts to INR 16.64 million. The Company has received in-principle approval for listing from BSE and NSE on 29 April 2020 and 30 April 2020 respectively. On 11 May 2020, the Nomination and Remuneration Committee approved the grant of 2,629,795 RSU's under QSOP 2020 subject to necessary approvals. Further on 24 July 2020, the Nomination and Remuneration Committee has approved additional grant of 74,141 RSU's under QSOP 2020.



- 10 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 ("TSIP"), and Greenpiece 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, and the aggregate face value of such shares shall, subject to other provisions contained in Scheme AAA, be adjusted and reflected as in the consolidated financial statements as it relates to Transferor Companies. On 29 June 2020, the Committee approved the final Scheme AAA and the same was submitted with the Stock Exchanges. The Company will seek approval of members in the ensuing Annual General Meeting.
- 11 Subsequent to the quarter ended 30 June 2020, the Company entered into a Termination agreement ("Agreement") with Quess East Bengal FC Private Limited ("QEBFC") and the East Bengal Club ("Club") for terminating the shareholders agreement ("SHA") dated 5 July 2018 among the Company, QEBFC and the Club on mutual consent. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and the Company has agreed to acquire the balance 30.00% equity stake in QEBFC for a nominal value of INR 1,000.00. The impact of the transaction on the results of the quarter ended 30 June 2020 is insignificant.
- 12 The Group has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs on 24 July 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Group recognised an amount of INR 65.32 million in the consolidated unaudited financial results for the quarter ended 30 June 2020 as reduction of rent expenses grouped under other expenses on account of rent concessions received during the quarter.
- 13 The spread of the COVID-19 pandemic in India and globally has created significant pervasive volatility, uncertainty and economic disruption, including disruption to capital markets, deteriorating credit, liquidity concerns, increasing unemployment, reduction in production output levels, lower demand and lower discretionary consumer spending. Since the outbreak of the COVID-19 emerged in early 2020, it has quickly spread across India and the world. The Group's business operations for the quarter ended 30 June 2020 continue to be affected by applicable regulatory restrictions including stay-at-home/work from home requirements of the Central and State governments in India and the disruptive factors mentioned above. The duration of the pandemic and its consequential economic and financial impact continue to remain highly uncertain. As a result of these developments, the Group considered the possible effects that may result from the pandemic relating to COVID-19 in preparation of the financial results including evaluating the recoverability of financial assets and non-financial assets particularly, trade receivables, unbilled revenues, goodwill, intangible assets, investments and loans granted to associates. The COVID-19 pandemic began to impact the Group's operations in the quarter ended 31 March 2020 and the Group has since applied judgements and related assumptions in relation to carrying value of financial and non-financial assets. 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 based on current estimates expects the carrying amount of these assets to be recovered. Specifically for the purpose of assessing the recoverable value of goodwill related to its subsidiary companies of INR 9,893.85 million and loans granted to associate companies of INR 329.27 million, significant revised judgment was applied during the quarter in certain cases while finalising assumptions on growth in revenues, EBITDA and discount rates. These assumptions are subject to change in future as events unfold within the uncertain environment. 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.

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



Ajit Isaac
Chairman & Managing Director
Place: Bengaluru
Date: 28 July 2020



Appendix - 1

Nature	S. No.	Entity name
Subsidiary/Step-subsidiary:	1	Brainhunter Systems Ltd.
	2	Mindwire Systems Limited
	3	MFX Infotech Private Limited
	4	Quess (Philippines) Corp.
	5	Quess Corp (USA) Inc.
	6	Quess Corp Holdings Pte. Ltd.
	7	Quessglobal (Malaysia) Sdn. Bhd.
	8	MFXchange Holdings, Inc.
	9	MFXchange US, Inc.
	10	Quess Corp Lanka (Private) Limited
	11	Comtel Solutions Pte. Limited
	12	Dependo Logistics Solutions Private Limited
	13	Excelus Learning Solutions Private Limited
	14	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
	15	Vedang Cellular Services Private Limited
	16	Golden Star Facilities and Services Private Limited
	17	Comtelpro Pte. Ltd.
	18	Comtelink Sdn. Bhd.
	19	Monster.com.SG PTE Limited
	20	Monster.com.HK Limited
	21	Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd)
	22	Monster.com (India) Private Limited
	23	Quess Corp Vietnam LLC
	24	Simpliance Technologies Private Limited
	25	Qdigi Services Limited (formerly known as: HCL Computing Products Limited)
	26	Greenpiece Landscapes India Private Limited
	27	Quesscorp Management Consultancies (formerly known as StyraCorp Management Services)
	28	Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)]
	29	Allsec Technologies Limited
	30	Allsectech Inc., USA
	31	Allsectech Manila Inc., Philippines
	32	Retreat Capital Management Inc., USA
	33	Quess Services Limited
	34	Trimax Smart Infraprojects Private Limited
	35	Terrier Security Services (India) Private Limited (refer note 4)
Associate:	1	Heptagon Technologies Private Limited
	2	Quess Recruit, Inc.
	3	Quess East Bengal FC Private Limited
	4	Agency Pekerjaan Quess Recruit Sdn. Bhd.
Joint venture:	1	Himmer Industrial Services (M) Sdn. Bhd.



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

TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **QUESS CORP LIMITED** ("the Company"), for the quarter ended 30 June 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Y.H.


Deloitte Haskins & Sells LLP

5. Emphasis of Matter Paragraphs

- i. We draw attention to Note 6 of the Statement, regarding the demands received by the Company in respect of Provident Fund and the contingency related to the pending litigation on the said matter.
- ii. We draw attention to Note 13 of the Statement, which describes the effects of the continuing uncertainty arising from the outbreak of the COVID-19 pandemic on the financial results for the quarter ended 30 June 2020.

Our conclusion on the Statement is not modified in respect of these matters.

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


Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 20110815AAAAABY4344)

Place: Bengaluru
Date: 28 July 2020

Quess Corp Limited

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

Part 1: Statement of standalone unaudited financial results for the quarter ended 30 June 2020

(INR in millions except per share data)

Sl. No.	Particulars	Standalone			
		Quarter ended		Year ended	
		30 June 2020 (Unaudited)	31 March 2020 (Refer note 2)	30 June 2019* (Unaudited)	31 March 2020 (Audited)
1	Income				
	a) Revenue from operations	16,959.42	21,794.43	16,402.19	77,402.32
	b) Other income	41.51	67.62	163.68	475.46
	Total income (a + b)	17,000.93	21,862.05	16,565.87	77,877.78
2	Expenses				
	a) Cost of material and stores and spare parts consumed	151.51	331.35	313.95	1,309.54
	b) Employee benefit expenses	15,459.75	19,272.44	14,180.81	67,914.63
	c) Finance costs	234.96	233.48	243.83	967.99
	d) Depreciation and amortisation expense	147.48	149.16	163.94	656.18
	e) Other expenses	817.57	1,238.24	1,140.55	4,842.87
	Total expenses (a + b + c + d + e)	16,811.27	21,224.67	16,043.08	75,691.21
3	Profit before exceptional items and tax (1 - 2)	189.66	637.38	522.79	2,186.57
4	Exceptional items (refer note 7)	112.70	5,261.18	-	5,261.18
5	Profit/ (loss) before tax (3 - 4)	76.96	(4,623.80)	522.79	(3,074.61)
6	Tax expense/ (credit) (refer note 8)				
	Current tax	-	(264.02)	103.12	-
	Deferred tax	75.98	719.39	(84.73)	294.46
	Total tax expense	75.98	455.37	18.39	294.46
7	Profit/ (loss) for the period (5 - 6)	0.98	(5,079.17)	504.40	(3,369.07)
8	Other comprehensive income				
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
	Remeasurement of defined benefit plans	(66.31)	(14.77)	(4.36)	(68.42)
	Income tax relating to items that will not be reclassified to profit or loss	16.69	(1.52)	1.52	17.20
	Other comprehensive income/ (loss) for the period, net of taxes	(49.62)	(16.29)	(2.84)	(51.22)
9	Total comprehensive income/ (loss) for the period (7 + 8)	(48.64)	(5,095.46)	501.56	(3,420.29)
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,475.83	1,475.11	1,461.04	1,475.11
11	Reserves i.e. Other equity				21,709.68
12	Earning/ (loss) Per Share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (INR)	0.01	(34.43)	3.45	(22.94)
	(b) Diluted (INR)	0.01	(34.37)	3.43	(22.89)

See accompanying notes to the financial results

*Previously reviewed and retrospectively adjusted.



Standalone unaudited financial results for the quarter ended 30 June 2020

Notes :

- 1 The statement of standalone unaudited financial results ("the Statement") of Quess Corp Limited ("the Company") for the quarter ended 30 June 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules there under and in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 28 July 2020. The statutory auditors have issued an unmodified review report. The figures for the quarter ended 31 March 2020 are the balancing figures between the audited figures in respect of the previous financial year and the published unaudited year to date figures up to the end of the third quarter of the previous financial year, which were subject to limited review by the statutory auditors of the Company.
- 3 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish consolidated unaudited financial results in the newspapers. The standalone unaudited financial results and the review report of the statutory auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and will be made available on the Company website www.quessecorp.com.
- 4 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated unaudited financial results of the Company and therefore no separate disclosure on segment information is given in these standalone unaudited financial results.
- 5 **Acquisitions:**
During the quarter ended 30 June 2020, the Company acquired additional 25.00% stake in Terrier Security Services (India) Private Limited ("TSSIPL") for a purchase consideration of INR 645.00 million. Consequent to the additional 25.00% acquisition, the total shareholding in TSSIPL has increased from 49.00% to 74.00% and TSSIPL has become subsidiary of the Company. The additional purchase consideration of INR 645.00 million was settled by adjusting loans which was outstanding to be received from Heptagon Technologies Private Limited ("HTPL").
- 6 During the previous year, the Company had received a notice from the Regional PF Commissioner ("RPFC") under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the Act") stating that Company has failed to remit Provident Fund ("PF") on wages for its employees for the period from April 2018 to March 2019 on the grounds that PF deductions were not made on certain components of the salary amounting to INR 716.56 million. On 26 August 2019, the Company filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-I of the Act challenging the Employees' Provident Fund Organisation's ("EPFO") order along with the application under section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident Fund Contributions till the final disposal of the Appeal. Consequent to the appeal, on 23 October 2019, the CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order for a period of 3 months. Due to COVID-19 pandemic the matter has been adjourned to 3 September 2020. The Company has obtained external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been wrongly determined by the RPFC. Further the Company has contractual rights with its customers wherein any such statutory liabilities could be passed on to them and the Company has obtained confirmation from the customers in this regard. Based on the legal advice, pending the hearing of the appeal and contractual arrangement with customers, no provision or contingent liability has been recognised or disclosed.
- 7 (a) During the quarter ended 30 June 2020, the Company reassessed the recoverable value of investment made in Heptagon Technologies Private Limited ("HTPL"), an associate company and recognised an impairment of INR 112.70 million, disclosed as exceptional item in the above results.
(b) During the quarter and year ended 31 March 2020, the Company after exploring various options decided to terminate the joint arrangement 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 and investments made in this associate and recognised an impairment of INR 343.20 million, disclosed as an exceptional item for the quarter ended 31 March 2020.
(c) As at March 31, 2020, the Company had INR 677.68 million of Intangible assets recognised through purchase price allocation and INR 5,565.56 million of Goodwill allocated to the Company's Integrated facility management (IFM) business. Further, investments in subsidiaries as at 31 March 2020 is INR 13,547.12 million. During the quarter ended 31 March 2020, the Company had performed an impairment analysis for its IFM business and its investments in subsidiaries and considered the impact of COVID-19 and uncertainties in future economic condition in the determination of recoverable amounts. Consequent to the impairment analysis, the Company had impaired INR 677.68 million of Intangible assets, INR 2,787.83 million of Goodwill and INR 1,452.47 million of investments in subsidiaries during the quarter and year ended 31 March 2020 and shown this as exceptional items. In determining the recoverable amount, the Company had considered assumptions around future revenue, EBITDA and discount rates. Key judgments 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 had considered both internal and external information as appropriate. Further an amount of INR 872.20 million being reversal of deferred tax liability in relation to goodwill impairment had been adjusted to the statement of profit and loss through tax expenses for the quarter ended 31 March 2020.
- 8 During the quarter and year ended 31 March 2020, the Company had 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 had written off through tax expenses, accumulated MAT credit of INR 1,239.45 million and re-measured other accumulated net deferred tax assets at 31 December 2019 based on the rate prescribed under Section 115BAA resulting in additional expense of INR 105.33 million in the quarter ended 31 March 2020.
- 9 On 31 March 2020 pursuant to approval by the shareholders by way of a special resolution through postal ballot, the Nomination and Remuneration Committee/ Board has been authorized to introduce, offer, issue and provide Restricted Stock Units ("RSU") to eligible employees of the Company and its subsidiaries under the Quess Stock Ownership Plan - 2020 ("QSOP 2020"). The maximum number of shares under QSOP 2020 shall not exceed 3,650,000 equity shares. The RSUs granted under QSOP 2020 shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). These instruments will be equity settled and will generally vest between a minimum of 1 to maximum of 6 years from the grant date. The total expense recorded for the same during the current period amounts to INR 16.64 million.
The Company has received in-principle approval for listing from BSE and NSE on 29 April 2020 and 30 April 2020 respectively. On 11 May 2020, the Nomination and Remuneration Committee approved the grant of 2,629,795 RSUs under QSOP 2020 subject to necessary approvals. Further on 24 July 2020, the Nomination and Remuneration Committee has approved additional grant of 74,141 RSUs under QSOP 2020.



- 10 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 ("TSIP"), and Greenpiece 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 ("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, and the aggregate face value of such shares shall, subject to other provisions contained in Scheme AAA, be adjusted and reflected in the consolidated financial statements as it relates to Transferor Companies. On 29 June 2020, the Committee approved the final Scheme AAA and the same was submitted with the Stock Exchanges. The Company will seek approval of members in the ensuing Annual General Meeting.
- 11 Subsequent to the quarter ended 30 June 2020, on 16 July 2020 the Company entered into a Termination agreement ("Agreement") with Quess East Bengal FC Private Limited ("QEBFC") and the East Bengal Club ("Club") for terminating the shareholders agreement ("SHA") dated 5 July 2018 among the Company, QEBFC and the Club on mutual consent. As per the agreement, the sporting rights has been surrendered to the Club with effect from 16 July 2020 and the Company has agreed to acquire the balance 30.00% equity stake in QEBFC for a nominal value of INR 1,000.00. The impact of the transaction on the results of the quarter ended 30 June 2020 is insignificant.
- 12 The Company has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs on 24 July 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Company recognised an amount of INR 18.73 million in the standalone unaudited financial results for the quarter ended 30 June 2020 as reduction of rent expenses grouped under other expenses on account of rent concessions received during the quarter.
- 13 The spread of the COVID-19 pandemic in India and globally has created significant pervasive volatility, uncertainty and economic disruption, including disruption to capital markets, deteriorating credit, liquidity concerns, increasing unemployment, reduction in production output levels, lower demand and lower discretionary consumer spending. Since the outbreak of the COVID-19 emerged in early 2020, it has quickly spread across India and the world. The Company's business operations for the quarter ended 30 June 2020 continue to be affected by applicable regulatory restrictions including stay-at-home/ work from home requirements of the Central and State governments in India and the disruptive factors mentioned above. The duration of the pandemic and its consequential economic and financial impact continue to remain highly uncertain.
- As a result of these developments, the Company considered the possible effects that may result from the pandemic relating to COVID-19 in preparation of the financial results including evaluating the recoverability of financial assets and non-financial assets particularly, trade receivables, unbilled revenues, goodwill, intangible assets, investments and loans granted to subsidiaries and associates. The COVID-19 pandemic began to impact the Company's operations in the quarter ended 31 March 2020 and the Company has since applied judgements and related assumptions in relation to carrying value of financial and non-financial assets. 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 unaudited financial results has used internal and external sources of information to the extent available and based on current estimates expects the carrying amount of these assets to be recovered. Specifically for the purpose of assessing the recoverable value of investments in and loans granted to subsidiary companies aggregating INR 12,938.88 million and investments in and loans granted to associate companies amounting to INR 429.62 million, significant revised judgment was applied during the quarter in certain cases while finalising assumptions on growth in revenues, EBITDA and discount rates. These assumptions are subject to change in future as events unfold within the uncertain environment.
- The impact of COVID-19 on the Company's financial results may differ from that currently estimated as at the date of approval of these standalone unaudited financial results. Such changes, if any, will be prospectively recognised.

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



Ajit Isaac
Chairman & Managing Director
Place: Bengaluru
Date: 28 July 2020

