

**Quess Corp Limited**

Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;  
CIN No. U74140KA2007PLC043909

*(Rupees in lakhs except per share data)*

**Part I Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2016**

Sl. No.	Particulars	Consolidated				
		Quarter ended		Nine months ended		
		31 December 2016	30 September 2016	31 December 2015	31 December 2016	31 December 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	<b>Income from operations</b>					
	a) Sale of services	102,660.24	101,770.36	90,643.33	303,526.58	243,854.42
	b) Other operating income	-	-	-	-	-
	<b>Total Income from operations (a + b)</b>	<b>102,660.24</b>	<b>101,770.36</b>	<b>90,643.33</b>	<b>303,526.58</b>	<b>243,854.42</b>
2	<b>Expenses</b>					
	a) Cost of material and stores and spare parts consumed	525.68	1,941.25	1,236.92	3,710.41	3,570.89
	b) Employee benefit expenses	89,345.93	87,142.45	81,211.53	261,943.20	217,234.54
	c) Depreciation and amortisation expense	698.56	691.31	275.17	1,990.10	815.41
	d) Other expenses	7,162.68	7,171.97	4,201.72	21,457.46	11,955.53
	<b>Total Expenses (a + b + c + d)</b>	<b>97,732.85</b>	<b>96,946.98</b>	<b>86,925.34</b>	<b>289,101.17</b>	<b>233,576.37</b>
3	<b>Profit from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>4,927.39</b>	<b>4,823.38</b>	<b>3,717.99</b>	<b>14,425.41</b>	<b>10,278.05</b>
4	Other income	602.55	567.35	138.91	1,239.62	572.29
5	<b>Profit from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>5,529.94</b>	<b>5,390.73</b>	<b>3,856.90</b>	<b>15,665.03</b>	<b>10,850.34</b>
6	Finance expenses	1,214.71	983.84	806.18	3,119.30	2,083.41
7	<b>Profit from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>4,315.23</b>	<b>4,406.89</b>	<b>3,050.72</b>	<b>12,545.73</b>	<b>8,766.93</b>
8	Exceptional Items	-	-	-	-	-
9	<b>Profit from ordinary activities before tax (7 + 8)</b>	<b>4,315.23</b>	<b>4,406.89</b>	<b>3,050.72</b>	<b>12,545.73</b>	<b>8,766.93</b>
10	Tax expense, net	1,262.94	1,394.72	1,324.79	4,011.83	3,412.13
11	<b>Net Profit from ordinary activities after tax (9 - 10)</b>	<b>3,052.29</b>	<b>3,012.17</b>	<b>1,725.93</b>	<b>8,533.90</b>	<b>5,354.80</b>
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	<b>Net Profit for the period (11 - 12)</b>	<b>3,052.29</b>	<b>3,012.17</b>	<b>1,725.93</b>	<b>8,533.90</b>	<b>5,354.80</b>
14	Share of profit / (loss) of associates	46.47	-	-	46.47	-
15	Minority interest	(2.52)	-	-	(2.52)	-
16	<b>Net profit / (loss) after taxes, minority interest and share of profit (13 + 14 + 15)</b>	<b>3,096.24</b>	<b>3,012.17</b>	<b>1,725.93</b>	<b>8,577.85</b>	<b>5,354.80</b>
17	Other comprehensive income (net of tax)	36.42	(130.31)	16.34	(172.26)	35.82
18	<b>Total comprehensive income (16 + 17)</b>	<b>3,132.66</b>	<b>2,881.86</b>	<b>1,742.27</b>	<b>8,405.59</b>	<b>5,390.62</b>
19	Paid-up equity share capital (Face value of Rs. 10 per share)	12,679.10	12,595.34	11,333.51	12,679.10	11,333.51
20	Earning Per Share (EPS) (not annualised)					
	(a) Basic (Rs)	2.44	2.42	1.55	7.06	4.83
	(b) Diluted (Rs)	2.41	2.37	1.52	6.95	4.72

See accompanying notes to the financial results

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Statement of consolidated segment wise revenue, results, assets and liabilities for the quarter and nine months ended 31 December 2016

Sl. No.	Particulars	Consolidated				
		Quarter ended			Nine months ended	
		31 December 2016	30 September 2016	31 December 2015	31 December 2016	31 December 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	<b>Segment revenue</b>					
	a) People and services	58,712.46	58,310.86	54,311.04	173,739.10	137,510.38
	b) Global technology solutions	28,078.68	27,789.45	21,406.24	83,337.43	65,182.15
	c) Integrated facility management	10,138.62	9,948.64	9,710.11	29,700.20	27,386.92
	d) Industrial asset management	5,730.48	5,721.41	5,215.94	16,749.85	13,774.97
	<b>Total Income from operations</b>	<b>102,660.24</b>	<b>101,770.36</b>	<b>90,643.33</b>	<b>303,526.58</b>	<b>243,854.42</b>
2	<b>Segment results</b>					
	a) People and services	2,786.67	2,615.32	2,273.42	7,910.08	5,691.55
	b) Global technology solutions	2,112.79	1,968.06	1,148.24	6,037.43	4,068.00
	c) Integrated facility management	534.31	498.40	462.47	1,383.07	1,180.11
	d) Industrial asset management	324.01	563.23	498.04	1,438.13	1,141.14
	<b>Total</b>	<b>5,757.78</b>	<b>5,645.01</b>	<b>4,382.17</b>	<b>16,768.71</b>	<b>12,080.80</b>
	Less: (i) Unallocated corporate cost	830.39	821.63	664.18	2,343.30	1,802.75
	Less: (ii) Finance costs	1,214.71	983.84	806.18	3,119.30	2,083.41
	Add: (iii) Other income	602.55	567.35	138.91	1,239.62	572.29
	<b>Total profit before tax</b>	<b>4,315.23</b>	<b>4,406.89</b>	<b>3,050.72</b>	<b>12,545.73</b>	<b>8,766.93</b>
3	<b>Segment assets</b>					
	a) People and services	36,480.14	38,399.30	22,928.68	36,480.14	22,928.68
	b) Global technology solutions	48,420.07	48,989.37	32,494.56	48,420.07	32,494.56
	c) Integrated facility management	14,854.17	16,510.49	12,800.14	14,854.17	12,800.14
	d) Industrial asset management	11,773.29	12,495.40	7,762.29	11,773.29	7,762.29
	e) Unallocated	84,216.93	67,042.66	25,529.69	84,216.93	25,529.69
	<b>Total</b>	<b>195,744.60</b>	<b>183,437.22</b>	<b>101,515.36</b>	<b>195,744.60</b>	<b>101,515.36</b>
4	<b>Segment liabilities</b>					
	a) People and services	26,164.42	28,866.15	16,562.89	26,164.42	16,562.89
	b) Global technology solutions	12,572.27	9,900.20	10,423.79	12,572.27	10,423.79
	c) Integrated facility management	7,141.54	6,015.61	6,763.43	7,141.54	6,763.43
	d) Industrial asset management	9,179.24	2,196.33	3,836.34	9,179.24	3,836.34
	e) Unallocated	58,046.23	56,859.03	30,275.77	58,046.23	30,275.77
	<b>Total</b>	<b>113,103.70</b>	<b>103,837.32</b>	<b>67,862.22</b>	<b>113,103.70</b>	<b>67,862.22</b>

See accompanying notes to the financial results

**Notes :**

- 1 The above results of Quess Corp Limited ("the Company") and its subsidiaries (collectively known as 'group') are prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013. The consolidated figures above include figures of subsidiaries including step subsidiaries companies namely Coachieve Solutions Private Limited, MFX Infotech Private Limited, Aravon Services Private Limited, Quess (Philippines) Corp, Quess Corp (USA) Inc., Quesscorp Holdings Pte. Ltd, Ikya Business Services (Private) Limited, Mindwire Systems Ltd., Canada, Brainhunter Companies Canada Inc., Brainhunter Companies LLC, Brainhunter Systems Ltd, Canada, MFXchange Holdings Inc., MFXchange (Ireland) Limited, MFXchange US Inc., Quessglobal (Malaysia) SDN.BHD, Randstad Lanka Private Limited, Centreq Business Services Private Limited, Dependo Logistic Solutions Private Limited, Excelus Learning Solutions Private Limited and Inticore VJP Advance System Private Limited and result of the associate namely Terrier Security Services India Private Limited.
- 2 The figures for the quarter and nine months ended 31 December 2016 was subjected to 'Limited Review' by Statutory Auditors of the Company. The review report of the Statutory Auditors is being filed with Bombay Stock Exchange and National Stock Exchange and is also available on the Company's website [www.quescorp.com](http://www.quescorp.com)
- 3 The Company has completed the Initial Public Offering (IPO) and raised a total capital of Rs 40,000 lakhs by issuing 12,618,297 equity shares of Rs 10 each at a premium of Rs 307 per equity share. The equity shares of the Company got listed on NSE and BSE effective from 12 July 2016. The proceeds from IPO is Rs 37,038.47 lakhs (net of estimated issue expenses).

Details of utilisation of IPO proceeds are as follows:

(Rupees in lakhs)

Particulars	Objects of the issue as per the prospectus	Utilised amount upto 31 December 2016	Unutilised amount as on 31 December 2016
Repayment of debt availed by the Company	5,000.00	5,000.00	-
Meeting capital expenditure requirement of the Company and Subsidiary MFX	7,171.70	-	7,171.70
Funding incremental working capital requirement of the Company	15,790.10	9,500.00	6,290.10
Acquisitions and strategic initiatives	8,000.00	7,550.00	450.00
General corporate purpose	1,076.67	-	1,076.67
<b>Total</b>	<b>37,038.47</b>	<b>22,050.00</b>	<b>14,988.47</b>

Unutilised amounts of the issue as at 31 December 2016 have been temporarily deployed in fixed deposit with banks which is in accordance with objects of the issue. The same needs to be utilised by 2018.

Expenses incurred by the Company estimated at Rs 2,961.53 lakhs, in connection with IPO have been adjusted towards the securities premium in accordance with Section 52 of the Companies Act, 2013. Till 31 December 2016, the Company has incurred Rs 2,526.29 lakhs of IPO expenses and the remaining amount of Rs 435.24 lakhs is accrued and expected to be utilized by March 2017.

- 4 These financial results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016. The Company has opted to avail the relaxation provided by SEBI in respect of disclosure requirements for corresponding figures of earlier periods i.e. the figures for the year ended 31 March 2016 have not been presented and the same has not been reviewed/audited. Further, the reserves (excluding revaluation reserve) as per the latest audited balance sheet i.e. 31 March 2016 not being mandatory has not been presented. The net profit reconciliation for the quarter and nine months ended 31 December 2015 under the previously applicable Generally Accepted Accounting Principles ('previous GAAP') with the total comprehensive income as reported in these financial results under Ind AS is presented below:

(Rupees in lakhs)

Net Profit reconciliation - Consolidated	9 months ended 31 December 2015	3 months ended 31 December 2015
<b>Profit after tax (PAT) as per previous GAAP</b>	5,436.16	1,777.97
Employee benefit expenses (actuarial valuation gain / losses)	(62.35)	(27.51)
Amortization on Intangibles	103.93	33.79
Present valuation of security deposits	(4.94)	(1.46)
Income tax impact of Ind AS adjustments	(118.00)	(56.86)
<b>PAT as per Ind AS [A]</b>	<b>5,354.80</b>	<b>1,725.93</b>
<b>Other comprehensive income (OCI)</b>		
Actuarial gain / (losses) of defined benefit obligation - Gratuity (net of tax)	35.82	16.34
Sub-total [B]	35.82	16.34
<b>Total Comprehensive Income [A+B]</b>	<b>5,390.62</b>	<b>1,742.27</b>

- 5 During the three months ended 31 December 2016, the Company has entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated 28 November 2016 to acquire Facility Management Business and Catering Business (together means "Identified Business") of MIS through the Scheme of Arrangement for demerger of Identified Business into the Company. The Board also approved the draft scheme of arrangement for such demerger. The Company has invested Rs 22,000 lakhs by initially subscribing to Compulsory Convertible Preference Share of MIS as part purchase consideration and to secure an interest in the Identified Business, development of the same and facilitating the proposed demerger. The Identified Business of MIS will be demerged into Quess Corp Limited pursuant to the Scheme of Arrangement subject to receipt of relevant regulatory approvals, and Quess will additionally issue approximately seven million one hundred and fifty thousand equity shares to equity shareholders of MIS in consideration of the demerger.

- 6 During the three months ended 31 December 2016, the Company has entered into Share Purchase Agreement (SPA) with Terrier Security Solutions Private Limited ("Terrier") and its shareholders on 19 October 2016, to acquire 74% stake in Terrier subject to the approval of Foreign Investment Promotion Board ("FIPB") for consideration as per the terms mentioned in the SPA. During the three months ended 31 December 2016, the Company completed acquisition of 49% stake for a consideration of Rs 7,200 lakhs and Terrier has become an associate
- 7 During the three months ended 31 December 2016, the Company has entered into a Share Subscription Agreement dated 28 November 2016 with Inticore VJP Advance Systems Private Limited ("Inticore") to subscribe 73.99% of shares for a consideration of Rs 349.89 lakhs. During three months ended 31 December 2016, acquisition is completed and Inticore has become the subsidiary of the Company.
- 8 The group through one of its subsidiary, Quesscorp Holdings Pte. Ltd, has signed a binding agreement with Comtel Solution Pte. Limited ("Comtel") and its shareholder dated 19 October 2016 to acquire 100% equity stake in Comtel. Group will initially acquire 64% stake for an estimated cash consideration of SGD 275.2 lakhs and the remaining will be acquired in a phased manner by end of 31 March 2022. The acquisition is subject to fulfillment of certain conditions as set out in the agreement, to the mutual satisfaction of both the parties, and statutory and regulatory approvals.
- 9 During the three months ended 31 December 2016, the Company has entered into Share Subscription Agreement (SSA) with Simpliance Technologies Private Limited ("Simpliance") and its shareholders to acquire equity stake of upto 45% in Simpliance for a consideration of Rs 250 lakhs. The acquisition is subject to fulfillment of certain conditions as set out in the agreement, to the mutual satisfaction of both the parties, and statutory and regulatory approvals.
- 10 Pursuant to the provisions of Listing Agreement, the Management has decided to publish unaudited consolidated financial results in the newspapers. However, the unaudited standalone financial results of the Company will be made available on the Company's website [www.quessecorp.com](http://www.quessecorp.com) and also on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- 11 Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company 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. People and Services, Global Technology Solutions, Integrated Facility Management and Industrial Asset Management. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

*for and on behalf of Board of Directors of*

**Quess Corp Limited**

**Ajit Isaac**

*Chairman & Managing Director & CEO*

Place: Bangalore

Date: 23 January 2017